THE FINANCIAL POST OF CANADA

The Canadian Newspaper for Investors

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WOULD COMMIT COUNTRY TO DANGEROUS PROGRAM OF PUBLIC OWNERSHIP

Would Attempt Success Where all Countries, Except Prussia, Have Failed to Succeed.

DIRECTORATE CONTROLLED FROM OTTAWA

A Vast System, Organized and Built By Two Executive Geniuses to Be Placed At the Mercy of the Political Parties at a Critical Stage of Its Career.

THE railway policy of the Borden government in recommending the purchase for the state of the Canadian Northern will undoubtedly be popular with the mass of the people. It was obviously intended that it should be. No government with any respect for its political life would dare announce a policy on the eve of going to the country that would be likely to be otherwise received. In fact in announcing that one transcontinental would be taken over, the explanation that financial conditions made it advisable to extend further aid to the Grand Trunk Pacific was in the nature of an apology. The fact that the people may want something which is not good for the country seemingly carries little weight. And yet we have the testimony of Mr. Acworth, who with Sir Henry Drayton recommended action along the lines of that now being taken, THAT NOT ONE GOVERNMENT RAILWAY IN THE WORLD HAS PROVEN A SUCCESS WITH THE POSSIBLE EXCEPTION OF THE PRUSSIAN SYSTEM.

THE FINANCIAL POST opposes the step because it does not believe that a railway system administered under the control of a party government, with all the evil influences of party politics, will be administered in the best interests of the nation. We are told that there need be no actual change in the operating management. But the fact remains that the board of directors will be under the control of the government. How long, we ask, would Sir William Mackenzie work with Sir Thomas White. Those who know the personalities of the two men know that there is not room for them on the same system, even though it is a transcontinental.

If the Canadian Northern loses the guiding influence of Sir William Mackenzie and Sir Donald Mann a wide reorganization of the controlling and operating organization will undoubtedly be necessary. In fact politics will probably demand such reorganization in any event. A government railroad which cannot be peopled with party friends would not be a government railroad in the political sense.

Public-ownership is an appealing theory. In practice results have been deplorable so far as efficient service is concerned. The people are carried away by the idea that they own the system—and that the profits are theirs. They forget that they have to shoulder the losses and that losses are very probable with such management as is given under political administration. Neither do they realize the indirect burdens which may be placed upon them through financial methods which may be employed when the affairs of the utility and the affairs of the country or province are in similar control.

It is not alone that the party in power uses the utility's organization as a political machine and peoples it with patronage-seeking friends but in the case of a railway there is the opportunity for favoritism in the making of rate schedules for interests with political alliances, and for granting concessions as regards service at the sacrifice of profits.

THE FACTOR OF PERSONALITY.

THE Canadian Northern as it stands to-day is the work of two men, two constructive geniuses—Sir William Mackenzie and Sir Donald Mann. They have conceived and created a transcontinental railway largely through their own unique powers of constructive organization. They consecrated their careers to making this great undertaking a success. No two individuals have done more for the development of Canada.

And now at the most critical stage of the railway's history, when it is stifling with an unhealthy atmosphere largely created by the war, it is to be taken from the care of these great executives who know its very strength and weakness and every possibility to weather the storm of adversity and put into the political arena where it will be subject to all the baleful influences of party politics.

Even if Sir William and Sir Donald consent to remain on the board it cannot be expected that they will work with the same incentive and purpose under government control—with trying political cross-influences—that they have displayed and would have continued to display in endeavoring to carry through to success an undertaking upon which their reputation was at stake. Money is not by any means everything to the real empire builders of the Mackenzie and Mann type.

BONDHOLDERS' POSITION

BRIEFLY the deal involves the purchase by the government of $60,000,000 of common stock of the company, largely held by Mackenzie and Mann. This would give control. It is proposed to continue the corporation as at present which would mean that there would be no change in the technical position of the holders of the bonds and debenture stock. The holders of these securities would seem to have just as good security as under the present arrangement although that development of the system's value is doubtful, for reasons explained, under government ownership which could be looked for under private operation.

LOSS BY PUBLIC OWNERSHIP.

Brandon Municipal Railway System is in Bad Shape.

With an annual loss of approximately $35,000, Brandon's municipal-owned street railway is causing the city fathers and the taxpayers generally considerable anxiety and worry. During the three years of its operation the system has only earned sufficient to pay operating expenses, leaving nothing for interest, sinking fund or depreciation, amounting to the above figures. To close it down will not help matters, and to reduce the service would be to make it lose more money.

MONEY SUPPLY, CROP SITUATION, AND BUSINESS

However, High Prices Insure a Continuation of Prosperity.

CAPITAL SUPPLY IS SHORT

Bankers Call Attention to Features of the Situation Which Have Been Discussed in This Column—U. S. War Orders.

With the successful flotation of the Dominion loan in New York relieving in a measure, for the time being at least, the financial pressure on Canadian business, attention is being directed to the crop outlook as the dominant factor in the situation. The outlook is not all that might be hoped for. In the West there has been a lack of rain, which promises to have an unfavorable effect upon the yield, and in Eastern Canada there is a shortage of labor, which may make it difficult to get the full advantage of what promises to be a splendid yield. However, there can be no doubt but that the high prices prevailing, together with industrial activity, give assurance of continued prosperity for the people for a considerable period.

Although temporarily relieved, the financial situation is one which is causing some concern. In the banking section of this week's issue is printed an article from the *Bankers' Journal* which may be taken as a semi-official expression of Canadian bankers. It calls attention to the shortage of ready capital in the country, and, as has been advocated on several occasions in this column, points out that the available funds must be used to the best advantage in financing war activities, agricultural production and the necessary industries. For the time being it is advisable that capital expenditure should be reduced to the minimum. This not only has the effect of conserving funds, but it directs those funds into the channels where they will prove a direct aid to production and the creation of wealth.

As to U. S. War Orders

The announcement of the income tax to take the place of the war profits tax has had a favorable effect upon Canadian industry. It is now felt that manufacturing will be on a more healthy basis, and that the foundation is being laid for a system of taxation which will take care of the situation after the war. Also there has been during the week a better tone to the American industrial situation, which is reflected to some extent in this country through the influence on the markets for raw materials. It is evidently being realized in relation to the price fixing programme that it is necessary to make allowance for a substantial margin of profits if the encouragement is to be given for industrial expansion, which is so necessary to speed up war-time production.

As to whether the American war purchasing programme will mean that there will be further orders placed in Canada is a debateable question. THE POST has been making inquiries in official circles and got no definite information on the point, but it would seem more than possible, especially in view of the exchange situation, that some of our industries should share in the orders.

According to the "Labor Gazette," the uncertainty in the labor situation continues. During the month there were thirty changes in wages and hours, affecting 46,400 people. Of these, 27 were increases and the three remaining decreases, but the latter were accompanied by a reduction of working hours.

EASTERN CROPS PROMISE BIG; HARVEST ON

Less Wheat But More Beans in Canada.

SOME RAIN HELPS WEST

Fall Wheat Cutting Begins in Alberta—Harvest General in Southern Ontario—Labor Going to Be Scarce—Livestock Doing Well.

By F. M. CHAPMAN,
Editor, "The Farmer's Magazine."

Fall wheat, rye and barley harvests are in full swing in Southern Ontario, with the Harvest line swinging rapidly northward under the hot weather that has prevailed over Canada during the week. The heads of the grain are well filled and reports from all over the East are general in the likelihood of a more than average yield this year, although the midge is working in some wheat sections. In the West rain occurred over those sections in Manitoba and Saskatchewan most in need of it during the first of the week and correspondents report it to be worth millions to the spring wheat crop. Barley has been cut in Manitoba and fall wheat in Alberta during the week.

Looking over the whole of the Canada crop situation, the outlook is something like this: Oats, barley, rye, hay, beans and potatoes have an increased acreage all over Canada with the outlook in each of these crops, for more than our average yield. Of these, from the food standpoint, rye and beans are the hopeful additions. The bean crop is doing well and the acreages are given in the census reports as over 30 per cent. above last year's, but correspondents report the crop as high as three times last year's, in many sections of Ontario. Prof. Zavitz of Guelph, looks upon the bean and wheat crops as the great food crops and advocates liberal acreages of fall wheat this fall, and preparation for more beans next year. Other crops named are helpful in a minor way as human food, but mostly, are they useful in maintaining our livestock and dairy produce.

In Wheat the acreages this year in Canada are greater than the harvested acreages in 1916 but less than the acreages of 1915 by about 10 per cent. The average yields in the East will surpass those of 1916, but hardly equal those of 1915. In the West, the yields in Alberta and parts of Manitoba will likely equal 1916's, but Saskatchewan reports do not place the average yield of wheat in that province at over 11 bushels. This will mean results somewhat as follows:

Wheat Outlook, 1917.

Location	Acreages	Likely Average Yield	Likely Bushels Aggregate Yield
West. ...	12,514,350	15	187,700,000
East. ...	935,900	21	19,650,000
Totals ..	13,450,250	15.4	217,350,000

Wheat Sown, 1916.

Location	Acreages	Average Yield	Total Yield
West. ...	13,880,100	14.6	200,395,000
East. ...	990,900	19.4	19,062,000
Totals ..	14,881,000	15	219,457,000

Dr. Creelman in speaking of the crop situation, told the POST, that Ontario has one of the best crops in her history, especially in oats which, he looks to surpass the record yield of 122,000,000 bushels in 1915. Local storms in some parts have damaged the crop during the week, and the whole case rests on fine weather from now on.

The hay, and other fodder crops are almost equal to last year's big crops all over Canada. Labor is the big problem on the farm at present. Organizations in the cities are seeking to relieve the situation by inducing urban employees to go to the country to assist in the harvest.

Livestock throughout the country are enjoying good pastures, and the past week has not witnessed big runs on the market. The farmers have grass to hold cattle. They still are nervous about the food control situation, not knowing where regulations are going to end. They feel that agriculture is important enough at this stage, to demand minimum prices on the products that are costing so much to produce, and which, a little slump in prices would cause endless losses.

AN OIL MERGER.

Midwest Company Has Secured Control of Merritt Corporation.

A New York despatch reports that the Midwest Refining Company has secured control of the Merritt Oil Corporation. When the Merritt Oil Corporation was organized, the Midwest Refining Company purchased a very large block of its stock. The Midwest Refining Company has now acquired from A. E. Humphreys and his associates their stock holdings in the Merritt Corporation, which with its land holdings hitherto acquired, gives it control of the Big Muddy field, which promises to be the largest oil producing field yet opened in the State of Wyoming.

ENGINEER TYE OPPOSES THE C.N.R. PURCHASE

Stands for the Principle of Private Control and Efficiency.

SHOULD GIVE MORE AID

When Conditions Warrant He Would Have C.N.R., G.T.R. and G.T.P. Operated As One Road But Not By Government.

Since the announcement of the Government's railway policy this week THE FINANCIAL POST has made an effort to get the views of competent authorities on transportation matters as to the proposals. Officials of the Canadian Northern are saying nothing at this stage. It is evident that the company has fought its fight with the Government and has lost the round; whether there will be strong opposition in the House remains to be seen. Officials of the other companies are likewise silent.

THE POST was, however, successful in getting an expression of opinion from W. F. Tye, the Montreal railway engineer, who has kept closely in touch with the whole problem and whose solution, presented some months ago, received a large measure of support from those who know the situation intimately. An effort was also made to interview Sir Thomas Tait on the matter, but he was out of the city.

Montreal.—In an interview which he granted to FINANCIAL POST, W. F. Tye, the eminent railway authority, who has kept closely in touch with the national railway problem, expressed strong disapproval of the action of the Government in taking over the Canadian Northern Railway.

"I do not think it was the proper solution," he declared. "What the Government should have done, in my opinion, at the present time was to advance enough money to the Canadian Northern and the Grand Trunk Pacific to enable them to keep on operating. Then when conditions warranted it, there should have been an arrangement by which the Canadian Northern, the Grand Trunk and the Grand Trunk Pacific, as well as the Transcontinental, would be operated as one road, but not by the Government. Private ownership is required for a high standard of efficiency.

"My idea as to the relation the Government should have to the combined roads is that it should own about a 40 per cent. interest and appoint 40 per cent. of the directors.

"As to the relation the present officials and directors of the Canadian Northern and Grand Trunk should hold to the new road, it probably would be better to form an entirely new company, though members of the present roads could come in if they so desired. The Government should exercise enough control to bring about the formation of a separate private company. This policy could not be carried out at the present time and only temporary arrangements of a financial nature should be entered into by the Government in the meantime. The permanent arrangement would be a modified Government control, but not operation. Government operation of the road would be far inferior to private operation. I do not believe in the efficiency of public ownership.

"Any working arrangements between the roads would have to take in both the Eastern and the Western lines.

"As to the loan to the Grand Trunk Pacific, I do not see any reason why

Continued on page 5.

DANGEROUS AGITATION TO AROUSE PUBLIC OPINION AGAINST THE INCOME TAX

Daily Papers Appealing to Prejudices of the People Instead of Educating Them to Sound Thought.

SUPER TAX APPLIES TO DISTRIBUTED PROFIT

Companies Will Pay 4 Per Cent. on All Net Profits and Owners or Shareholders on Portion Taken Out of Business—Further Discrimination in Favor of Public Ownership.

A GREAT effort is being made to take advantage of the present restless state of public opinion to stir up an agitation against the income tax proposals of the Minister of Finance. The dangerous slogan of "Conscription of Wealth"—dangerous because of socialistic appeal to the little comprehending masses—is being used to inflame the minds of the people. A large faction of the public press—with the voice of the Toronto Star pitched high in the chorus—is calling for further taxation of war profits, for the conscripting of the wealth of the "war profiteers." The public is being incited to make unhealthy demands upon the government at a time when the public press should be endeavoring to educate the people along sane economic lines.

The war profits tax was not economically sound. It had the effect of throttling the industrial development of the country. It had other unsound features. These have been pointed out by THE FINANCIAL POST. Sir Thomas White admitted these weaknesses, and he has now brought down a measure which places the burden of taxation where it more properly belongs. We believe that it does not go far enough, that the exemptions are too high and that the mass of the people should be taxed; however, it was hardly to be expected that a government which must shortly go to the people would go very far in this direction.

Mr. White's measure is criticised because it does not bear heavily enough upon the companies making wartime profits. These companies have already paid heavily. Nor does the new act allow them to escape. It makes a general assessment on all business so that when the war is over the revenue will not disappear. At present companies pay a tax on profits over 7 per cent.; under the new measure they will pay 4 per cent. on all net profits.

Further, under the taxation of incomes, these same profits will be subject to the supertax when they are paid out in dividends. Earnings cannot be said to be profits to anyone until they are in the hands of the owner. When they are distributed they are subject to further taxation under the act.

The argument is then raised that there will not be a supertax unless there is a distribution and that this will lead to an accumulation of profits. What could be better. With an uncertain future there could be no saner policy for the industrial stability of the country than that manufacturing concerns should conserve their resources, thus facilitating their own financial arrangements by reducing credits, and preparing for that development or retrenchment which the future may require. If there is any real objection to the arrangement it is that the tax is not applied to the profits which are distributed as "incomes" alone but to the whole profits, the great bulk of which may never reach those who are really paying the 4 per cent.

SHOULD BE MORE GENERAL.

THE POST has taken the stand that the income tax should affect the great bulk of the people to be equitable. The present exemptions are too high. The single man who gets less than $3,000 and the married man less than $4,000 pays little or nothing. The exemptions should be $1,000 for single men and $1,500 for married men, with perhaps some further exemptions where there are children. The minimum assessment could be made small, say 1 or 2 per cent. The amount of the tax would be small, but it is small taxes over the majority of the people which count. As an example of this may be cited a recent experiment in Wisconsin where the $4,000 exemption basis was figured on and it was found that the exemption applied to 234 out of every 235 taxpayers.

There are other reasons for a more equitable taxation. Then there is the great economic necessity in such a time as the present for frugality on the part of the people. We have seen little evidence of frugality in Canada for the past couple of years. The surest way to make the people save money for the national good is to save it for them—by taxation. The *London Economist* says:—

"Apart from borrowing abroad and realizing assets abroad, the savings of the people are the only source out of which the war can and must be financed."

FAVORING PUBLIC OWNERSHIP.

THERE is one very unfair feature of the new income tax. It is that public ownership companies are exempt and that private concerns operating utilities are taxed four per cent. on net profits. This is another example of the legislative methods being used to discriminate against the development companies which, with the backing of courageous investors, entered upon uncertain fields and successfully overcame many difficulties. Now their franchise rights are being sacrificed to make way for public-ownership competition—which almost amounts to monopolization—and as a further handicap they are to be taxed while their competitors go free.

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Paid-up Capital	23,266,202.34
Reserve Fund	19,466,400.00
Deposits (31st Dec., 1916)	$849,809,215.41
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NEWS OF SECURITIES — Uncertainty Continues

STEEL

Iron and Steel Markets Stagnant. Steel Stocks Active But Within Narrow Range.

By P. BAIN, M.E.,
Editor, Canadian Machinery.

The iron and steel markets continue stagnant, and the chief interest of those concerned is the readjustment of prices so that buying can be resumed on a normal volume basis. Notwithstanding the foregoing, and because conditions have been so tense over a long period and business has been conducted under such high pressure, there is a disposition in the trade to welcome the relief afforded and take a breathing spell; besides, it is vacation time anyway. It is expected in most quarters that when the U.S. Government finally decide on a schedule of prices to be paid for their war requirement material, a sentimental influence will become operative which will pull down the whole market, if not to the Government requirement level, then to a level less restrictive to business activity generally. Anticipatory of, and because they want to enter the readjustment period with stocks as light as possible, many jobbers are now offering freely certain descriptions of steel.

Rather more activity has been noticeable during the past week in the stocks of steel and steel product enterprises, and while the range of price movements has been quite moderate, with perhaps two exceptions, a feeling exists that industrials of that nature are more or less a sound purchase at ruling quotations and should be taken advantage of, the reasoning being based on the assumption that the meantime abnormal demand will be little lessened for a long time after the war is over. The outstanding feature of the week has, of course been the sudden and perpendicular rise in the stock of Canada Foundries & Forgings. It is significant, however, that the movement showed no disposition to become general throughout the list, and just to what the spectacular performance has been due is at the moment somewhat problematical. Suggested reasons, will, however, be found in the individual stock reference.

The activity of the past week has disclosed a short interest of larger proportion than was believed to exist; to this much of the general stiffening of prices may well be attributed; however, just to what extent same has now been eliminated remains to be seen, it being our opinion that little if any of very material importance now remains.

It is doubtless a bull factor that under the new income tax plan manufacturing concerns will have a much reduced contribution to make to the Government as compared with their previous war production rating, and this together with its otherwise strong financial standing may be taken to account largely for the substantial rise in Dominion Bridge toward the close of the week.

	Close, July 26	Close, Aug. 2	Change
Can. Car, com.	32	31	— 1
Do., pref.	70	69¾	— ¼
Can. Loco., com.	63¾	..	..
Do., pref.	88	88	..
Gen. Elec., com.	101	103	+ 2
Dom. Bridge	127	135	+ 8
Dom. Iron, pref.	91¾	90½	— 1¼
Dom. Steel	59¾	60¾	+ 1
N.S. Steel, com.	99	98	— 1
Ont. Steel Pro., com.	24	29¾	+ 5¾
Can. Forgings	..	173	
St'l of Can., com.	53¾	56½	+ 2¾
Do., pref.	91	..	..
Rus. Motor, com.	70	80	+10
Do., pref.	109	112	+ 3

STEEL COMPANY OF CANADA.

Steel Co. of Canada common sold up to 55¾ but did not hold the advance, which would seem to indicate that the selling orders referred to last week as hanging over the market, are not yet cleaned up. Good progress is being made with the installation at the main Hamilton plant of the sheet mill recently purchased. We understand that the latter was procured at a very advantageous price. The preferred stock has been steady and practically idle during the week.

NOVA SCOTIA STEEL & COAL CO.

During the week, "Scotia" stock touched par, two lots of 50 shares each changing hands at that level. Offerings are normal, however, and are readily taken up, evidence it seems to us of confidence by holders in the Company's immediate future outlook, and of a disposition to await developments arising from the installation of the new president.

CANADIAN LOCOMOTIVE CO.

The excitement in Canadian Locomotive Co. stock is evidently over for the present, and perhaps altogether, judging at least by the complete absence of market activity. Whether the declaration of the dividend on the common, or the apparent hopelessness of the Haney-Pellatt interest securing control, have been individually or collectively contributory causes may be left to conjecture, in any case it may readily be assumed that the present administration have the confidence of the shareholders, and will be honored by renewal of same when the annual meeting takes place next month. The plant output continues to be of the past highly satisfactory nature.

DOMINION BRIDGE CO.

There has been considerable bullish talk on Dominion Bridge on the Street for the past two or three days. Before the stock went ex-dividend 2½ per cent. it sold up to 130, three points from the low of the year to date. The approach of the date for the placing of the Quebec Bridge span is associated with the bull talk, and if all goes well it is claimed the company will be freed from a troublesome undertaking as well as enjoy considerable financial relief as the result. Independently of that it is believed the strong position of the company warrants a higher price. On Thursday afternoon the stock became particularly active, something over 200 shares changing hands at the top price of 135 xd, the highest in several months.

CANADIAN CAR & FOUNDRY CO.

Notwithstanding the many delays that have occurred in connection with the presentation of a full statement of the Russian shell business of the Canadian Car & Foundry Co., the shareholders must content themselves in patience for a time longer to learn how much the company made out of that ill-fated order. Just what the parent company will get back of the large sums advanced to the New York branch is a matter of conjecture. The directors are said to know in a general way but the statement is not sufficiently complete to make a positive report to the shareholders. The management believe, however, that their troubles in that connection are nearly at an end and that with the return to its normal lines of production the business of the company will run along on a more satisfactory basis, considering the large number of car orders in hand.

There was not such a lively discussion at the annual meeting on July 31, as was anticipated, the queries centering around a possible dividend, the reason for the big deficiency in the earnings for the year, the closing of the New York agency, and the possibility of more frequent reports.

To the first question the President, Senator N. Curry replied that the company would require large borrowings from the banks in addition to its own resources, to enable it to use its full facilities for the production of the orders now on hand, and as indications pointed to increasingly severe monetary conditions this coming autumn and winter, the directors believed that the question of dividend payments must be held in abeyance until the assets of the company were in a more liquid position. Senator Curry explained that the present meeting was to review last year's work, and that the directors had a vague idea only of the earnings for the period mentioned.

Regarding the general business on the books of the company, the President said:

"In the report now presented it is stated that the combined order books of your companies showed a value in unfilled orders of $23,500,000.00. This has since been increased and at this date the value of unfilled orders aggregates over $35,000,000.00. Your Fort William, Ont., plant, which has not yet been operated is now being put in condition for operation and it is expected to commence shipments of cars from this plant in October of this year." Profits for the current year, the Senator estimated at four times those of last year.

The two new directors, A. Hicks Lawrence and Colonel D. W. Dunn were accepted without comment by the shareholders.

In moving a vote of thanks to the directors, M. E. Williams said that a year ago, when the fortunes of the company were at a low ebb, and it was found difficult to get banking support, Senator Curry, W. W. Butler and F. A. Skelton, had staked their entire personal fortunes to back the company's obligations.

After the meeting the directors elected the following officers: President, Hon. N. Curry; vice-president and managing director, W. W. Butler; vice-president and treasurer, F. A. Skelton; vice-president, V. G. Curry; secretary, Arnold Wainwright, K.C.; comptroller, B. F. Repton; assistant secretary-treasurer, R. B. Edwards; assistant treasurer, J. B. Brodie.

On Wednesday, following the annual meeting, the common sold off to 31 on an exchange of about 265 shares. The preferred remains steady around 69.

INTERNATIONAL NICKEL CO.

President Monell of the International Nickel Co. states that work on the new refinery at Port Colborne, Ont., is progressing rapidly and the new $5,000,000 plant will be ready for production by the beginning of 1918. Initial production of this plant is placed at 20,000,000 pounds a year, which increases the output one-third and brings the total capacity to 80,000,000 per year.

CANADA FOUNDRIES & FORGINGS.

In the midst of a listless day on Wednesday on the Montreal Exchange there was a sudden movement in Canada Foundries & Forgings and the most rapid advances took place that have been seen in a long time. The stock opened at 150 with 10 shares selling, and the next sale of 25 went at 155; 10 at 160, 5 at 161, 15 at 162, 25 at 170, until 172 was reached and a slight drop to 170 at noon. In the afternoon 100 shares sold at 176¼, a net rise for the day of 24½ points. The Street was not aware of the reason for the advance but looked for an announcement of "something tangibly interesting" in the near future. Four months ago a few lots sold as low as 150, a decline of 50 points from the high. This was when the bonus was dropped and the stock placed on a regular 12 per cent. basis. Since then the quotations have fallen as low as 139½.

With the company in an exceptionally strong cash position and the stock selling at a price to yield 8 per cent., the disinclination of the shareholders to part with their holdings in such an undesirable market has turned attention to the possibility of the creation of conditions which would work the stock into a broader trading position and make a market commensurate with the standing of the company both in a financial and manufacturing sense. No doubt the shareholders will welcome any step to give them a better market as they have experienced the usual restrictions in trading arising from a high priced stock with a scanty supply which renders it difficult from the speculative point of view.

Unofficial explanations given of the spectacular rise vary in character, some claiming it to be the case of a big earner responding to the modified taxation programme at Ottawa, others see in it the early resumption of the 3 per cent. bonus, while others again credit the whole affair to manipulation, basing their opinion on the fact that business conditions in the steel trade generally are in no sense of a nature to make the stock of higher value than it recently has been.

DOMINION STEEL CORPORATION.

Mark Workman, president of the Dominion Steel Corporation, returned to Montreal on Wednesday from a visit to the scene of the explosion and fire in No. 6 mine at Glace Bay. He stated that while the loss of life was to be deplored, he had been surprised at the small extent of the material damage, same being a great deal less than anticipated. The Nova Scotia Workmen's Compensation Act will look after the widows and children of those who lost their lives in the disaster, and also the injured men. A sum of $200,000 is reckoned to be required to settle all claims. Funds are amply available by the assessments made in the class to which the mine belongs. In view of the president's statement resumption of output at the mine is expected immediately. The common stock has been active during the week, several hundred shares changing hands, the top price reached being 60¾. The preferred on the other hand has been specially quiet.

At a meeting of the directors of Dominion Steel Corporation on Thursday, the secretary was instructed to place on record the sympathy of the board towards the unfortunate sufferers in the colliery disaster.

ONTARIO STEEL PRODUCTS.

Ontario Steel Products has figured at intervals recently in the market trading, working up from around 18 some weeks ago, to 29¾, and 30 for an odd lot in the last day or two. Last year the price rose to 45 during the period of buoyancy, but relapsed in common with the general list later. Favorable reports are abroad concerning the operations of the enterprise.

PULP AND PAPER

Trading Continues Decidedly Light With Price Changes Very Small in Extent.

By W. A. CRAICK

The inherent lifelessness of the paper groups, coupled with the usual summer dullness of the market, has brought about a condition of almost complete stagnation among the securities in the pulp and paper lists. Trading has been decidedly limited in volume and in several instances not a single share has changed hands during the week. Such price changes, as have occurred, have been, with but a single exception, so small as to be practically negligible.

	Close, July 26	Close, Aug. 2	Change
Laurentide	170	170	..
Riordon	119	120	+ 1
Spanish, com.	13	13	..
Do., pref.	..	..	..
Wayagamack	67	60½	— 6½
Brompton	47	46¾	— ¼
North American.	4½	4½	..

There is no news respecting the proceedings of the Canadian paper inquiry. Auditors are now at work on the books of the manufacturers and until the commission has received a report from them, nothing can be done. The next hearing, when the auditors' findings will be discussed, will not likely take place until the fall.

A formal announcement was made last week by the paper committee of the American Newspaper Publishers' Association that a contract had been entered into with Lord Northcliffe for the entire output of his Newfoundland mill. The committee has incorporated a company, to be known as the Publisher's Paper Co., to handle the product and already two cargoes of paper have been delivered on the Atlantic seaboard. It is estimated that about 80,000 tons of newsprint annually will be available which will be more than sufficient to restore competitive prices in the United States and to create a buyers' market by placing at the disposal of publishers generally more paper than they will require. Fifteen thousand tons of print paper are at present available from this source of supply. This paper will be sold in carload lots at prices less than the prevailing market quotations. The effect of the competition, thus established, will have an important bearing on 1918 contracts, for it is the intention of the paper committee to continue to sell the product of the Northcliffe mills, while the present stringency lasts.

The mills of the News Print Manufacturers' Association produced 136,482 tons of newsprint during the month of June, as compared with 140,151 for the month of June 1916. The mills of the Association make approximately 80 per cent. of the news print paper produced in North America. For the first six months of the year, production amounted to 797,241 tons, while for the corresponding period of 1916, it was 804,020 tons.

RIORDON.

Trading in Riordon continues to be limited in volume. Last week the stock touched 119 on the general downward movement. This week it showed some signs of resiliency, advancing to 121, and then dropping back to 120.

LAURENTIDE.

Single transactions in Laurentide appear to be the rule at present. This week's business consisted of a single lot, which sold at 170. This seems to be the established level for Laurentide, as it has been the prevailing price for several weeks past. The annual meeting of the company will be held at the head office, Sun Life Building, Montreal, on Tuesday, Sept. 4, at noon.

WAYAGAMACK.

After many weeks, when transactions in this stock were of the most limited description, a little burst of activity developed last Friday. The stock then came out at 61¼, and sold down to 60½. This is the low point since the boom in the paper group last year. No sales have subsequently been recorded.

SPANISH RIVER.

The preferred is apparently quite dead, no trading having taken place in this stock since the middle of May. The common is almost equally inactive. On Monday it sold at 12⅞ and 13, but since then no sales have been listed.

PRICE BROS.

After its climb from 115 to 134 last week, which was achieved in only four transactions, Price Bros.' stock relapsed again into inaction and this week there was no trading whatever in this security.

BROMPTON.

Brompton Pulp continues to attract the bulk of the market attention in the paper group and it is rarely a day passes without a few transactions being listed. This week the movement of the stock has been within narrow limits. On Monday it sold at 47¾, but on Wednesday was back to 45¾, closing on Thursday at 46¾.

ABITIBI.

The $5,000,000 shares of common and $1,000,000 of preferred were listed on the Montreal Exchange on Tuesday. There were 55 shares of common sold at 58½, while on Wednesday 105 went at the same figure. There was no dealing in preferred.

NORTH AMERICAN.

The North American Pulp & Paper Co.'s report for the six months ended June 30 shows total earnings available for bonds, other interest and sinking fund of $632,106, so that after deductions of this requirement there remains a balance of $262,510. An official of the company states that as operations were curtailed for the first two months of the year owing to climatic conditions, earnings for the current six months should show some improvement over the first half. This would make net earnings after all charges for the current year over $500,000 as compared with a deficit of over $200,000 for 1916. At the annual meeting held at the Hotel Biltmore the following trustees were elected: J. E. A. Dubuc, G. Tracy Rogers, Parmley W. Herrick, the Hon. J. M. Wilson and C. S. Wilcox.

From Thursday of last week until Thursday of this week there was no trading in North American in Toronto. On Thursday 160 shares changed hands at from 4½ to 4⅝, the close being at 4½.

INTERNATIONAL PAPER.

The principal demand of minority stockholders of the International Paper Company, who filed suit in the Supreme Court Tuesday, is for some distribution to common stockholders of as much of the company's surplus as the court may determine. In other words, these stockholders are petitioning for a common dividend.

No dividends have been paid on the common stock since 1899, and it is very unlikely that the company will be able to make any such distribution for the next two years, according to Dow, Jones & Co. President Philip T. Dodge at the annual meeting stated all the surplus earnings of the last year as well as for the current year will be required to meet maturing bonds and for the cash distribution to stockholders.

The outstanding bonds of the company prior to June 15, when the readjustment plan became operative, amounted to approximately $15,000,000. This plan was to consolidate under one mortgage the entire bonded indebtedness of the company by the creation of a new first and refunding sinking fund under which not more than $20,000,000 30-year bonds could be issued. It was stated that only $7,500,000 of the new 30-year bonds were to be issued at this time, and in the event of receipt of offers for the exchange of more than $7,500,000 the company reserved the right to prorate this amount among bondholders offering to exchange.

MINING STOCKS

Trading Very Limited With Price Tendencies Still in Downward Direction.

By W. A. CRAICK

There has been practically no improvement this week in the condition of the market for mining shares. Last week the average daily sales on the Standard Exchange approximated 64,300 shares. This week the average has risen slightly to 65,600. This is still a very small volume, and indicates a decided lack of interest on the part of the public in mining stocks. The schedule of sales for the week, with the New York quotations on bar silver, is as follows:

	Transactions. Shares.	Silver. Cts.
Friday, July 27	75,550	78⅛
Saturday, July 28	(Exchange	closed.)
Monday, July 30	76,311	78⅛
Tuesday, July 31	47,622	78⅛
Wednesday, Aug. 1	79,705	79
Thursday, Aug. 2	48,881	80

The general trend of prices has again been downward. There are a

few exceptions, but these are stocks which are not to be regarded in any sense as market leaders. Issues like Hollinger, Dome and McIntyre all show losses for the week, these extending as high as 75 cents in the case of Dome Mines. The changes registered in the principal stocks have been as follows:

	Close. July 26.	Close. Aug.2.	Change.
Adanac	.15¾	.15½	—.00¼
Beaver	.33¾	.34	+.00¼
Dome Exten.	.16	.15	—.01
Dome Mines	10.50	9.75	—.75
Hargraves	.13	.11¾	—.01¼
Hollinger	4.55	4.30	—.25
McIntyre	1.55	1.50	—.05
Nipissing	7.65	7.65	.....
Vipond	.32	.32	.....
Newray	.62	.66	+.04
Timiskaming	.32½	.31½	—.01
West Dome	.20	.19½	—.00½

It is interesting to note that the price of bar silver is again advancing, with every indication that a new high level for this metal will again be recorded. The movement of silver prices has been pretty regular, declines following advances, and then fresh advances carrying the price to still higher levels. The gain for the week has been 1⅝ cents.

According to reports current, the best informed mining men of the Province of British Columbia believe the silver production of the province this year will surpass all former records owing to the fact that the present price is higher than at any other period for a considerable number of years. Last year the production was but three hundred ounces less than the figure of 1915, which was about 3,365,900 ounces.

LA ROSE.

The Northern Miner states that the La Rose is now working in a glory hole about eighty feet wide. It is between two old high grade veins and the rock carries fair values. The glory hole is now about sixty feet deep. How deep gloryholing will be done will depend on the timbering. The La Rose is shipping several hundred tons a month to the Northern customs concentrator, and making a fair profit. The old dump is about done.

APEX.

The Apex Mining Co. is reported to have made arrangements for the diamond drilling of the property adjoining the Davidson in North Tisdale, on which it has secured an option. Diamond drilling will be done with the idea of picking up the extension of the main Davidson vein, which is believed to cross the property. It is also understood that the Apex Co. have their eye on another property in the camp which may be taken over in the near future.

DOME MINES.

Mark Harris in his weekly review of the mining market says that the management of the Dome has temporarily discontinued the sending out of monthly statements on operations, and until labor conditions have become more normal no no further reports will be made. The last statement sent out covered the month of April. He also states that the four-weekly report, on the Hollinger, which would ordinarily have been sent out on July 16th, has not been forthcoming, and that it is learned from an official source that there is a strong probability of the management withholding the figures altogether and sending out reports quarterly instead of every four weeks until such times as conditions turn more normal.

HOLLINGER.

Development work at the Hollinger is reported to be at the maximum at present, while production is again on the upward trend. About forty machines are employed at present at development work alone, and upward of 5,000 feet, or approximately one mile of underground work is being done a month. This is probably a record for any gold or silver mine in the Dominion. Current production figures are understood to be higher than for many weeks past, and a steady improvement from the date forward is expected. Every level from the surface down to the 1,250 foot level is being opened up, and developments are being carried on nearly 100 different faces. Heretofore reports on ore reserves at the Hollinger did not indicate anything below 900 feet.

PORCUPINE CROWN.

It is rumored that Porcupine Crown will pass its next dividend. Such action will be merely in the interests of conservation, as it will simply increase the reserve by the amount of the dividend. The mine itself is progressing favorably, the work of driving from the nine hundred to the thousand foot level going forward satisfactorily. It will be remembered that when the Porcupine Crown put down its winze to the 800-foot level and then to a depth of 900 feet, the ore bodies showed a remarkable improvement in both extent and value per ton and the work which has been done since then has indicated that a similar improvement or at least an equally valuable deposit of ore lies within the next 200 feet of depth. The mill at the Porcupine Crown is treating its usual tonnage and there has been no reduction in the high grade of millheads so that the property is to be regarded as having passed through the recent difficulties with a minimum of trouble.

TRETHEWEY.

Trethewey produced an average of about thirty thousand ounces per month in the year ended with June. In June the production was slightly under the average because of repairs to the mill. When Trethewey opened up, a little over a year ago, it was estimated that the mine had about a year's ore, but after a year of operation there still remains considerable ore in the stopes, and it is now anticipated that the Trethewey will operate for another year.

McINTYRE.

The McIntyre is going ahead on a more extensive scale than ever with 355 men employed. Ore passes from the 700-foot level to the main haulage at the 1,000-foot are now completed. Ore from stoping operations from all the upper levels can now be deposited with a minimum of effort in these passes, each of which will serve as a sort of bin and which can be drawn on at will through chutes at the 1,000-foot level, where the ore will fall directly into the large cars of the electric haulage and be transported to the main shaft and out to the surface to be dumped automatically into the crusher, where it will be crushed to 1½ inch ring, in which size it is conveyed to the mill over the aerial tram.

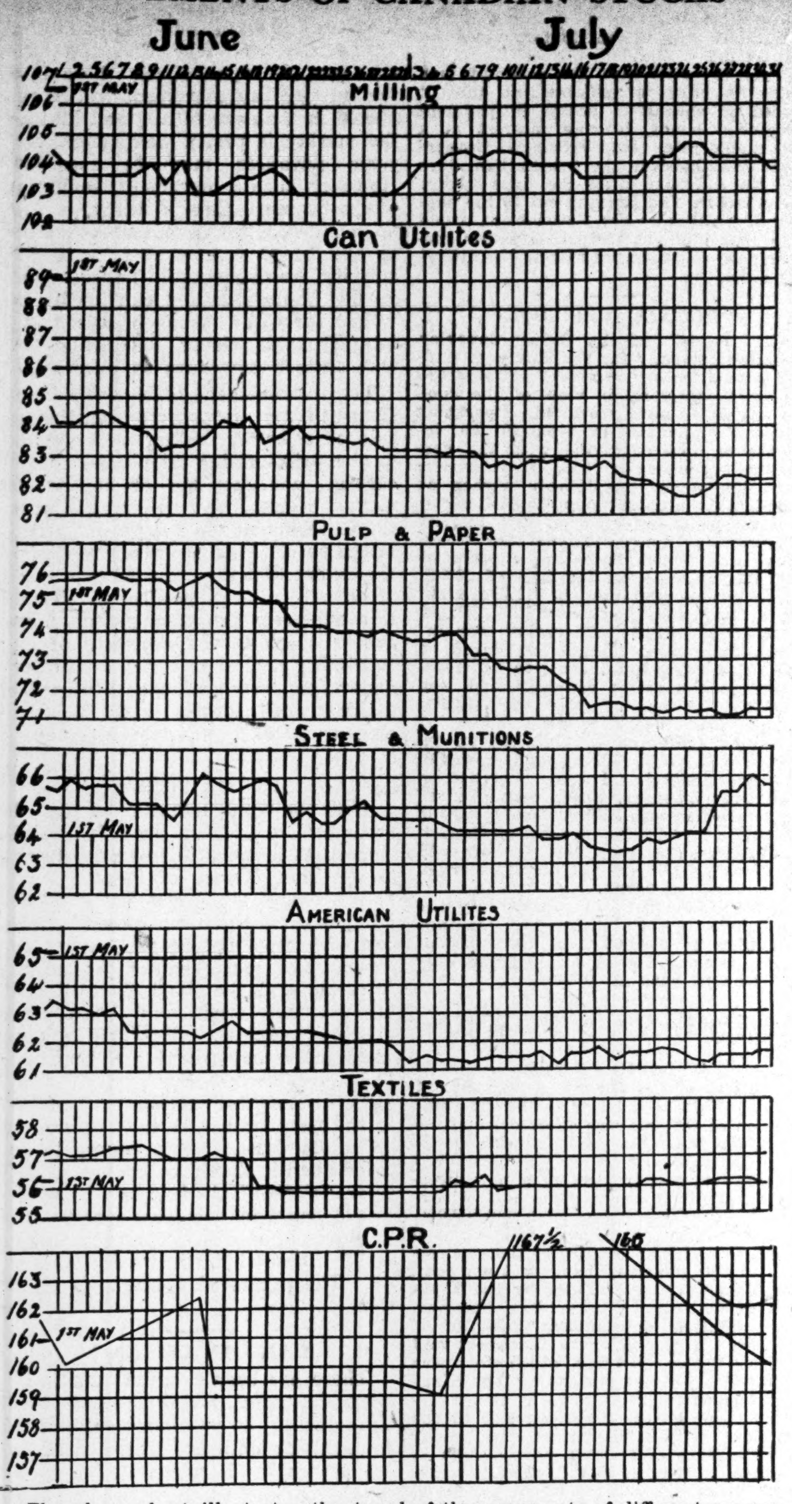
The diamond drill will be the first test to be made by the McIntyre of the Plenaurum property adjoining the Jupiter, which the McIntyre has under option. Drill holes to a depth of fifteen hundred feet is the initial part of the program. On Monday work was started a short distance from the Jupiter mine in an effort to prove the continuance of the contact that paralleling veins have been productive on the McIntyre, and have proven up splendidly on the Jupiter. It is likely that when lateral work is started from the thousand foot level of the Jupiter, work will be done on the Plenaurum, if diamond drilling indicates the advisability.

TIMISKAMING.

A four-page circular, prepared by Mr. Morganstern, a New York shareholder, has been sent to shareholders of the Timiskaming Co. In this document, Mr. Morganstern **criticizes** the management severely **and asks for support** in his effort to force the holding of a special meeting, to demand the resignation of the present management and to order a thorough examination of the mine by a high-class engineer. Mr. Morganstern is said to hold 200,000 shares of the company.

Commenting on the situation, Homer L. Gibson & Co. **say: "We hold no brief** for President Culver and his co-directors, but we have been in fairly close touch with all the details of this opposition, and are convinced that the board has dealt openly and fairly with the shareholders and has concealed no material facts as to the physical condition of the property at any time. If certain large shareholders have allowed their enthusiasm to get the better of their judgment, and have accumulated large blocks of the stock at prices which prevailed when the company was in the hey-day of its prosperity, such is their misfortune, and not the fault of the board of directors. It would seem that the wish that large reserves of ore are in place is father to the thought that they are there, and that disappointment is actually the cause of all this hullaballoo."

MOVEMENTS OF CANADIAN STOCKS



The above chart illustrates the trend of the movements of different groups of Canadian common stocks during the months of June and July. The basis is that of comparative values of the different stock securities actually traded in as fixed by sales.

The price level at the 1st of May is also indicated on the left margin.

TEXTILES

Quiet Week, With Prices Maintained Firmly—Sales of Goods continue Lighter.

By H. H. BLACK,
Editor, Dry Goods Review.

Another quiet week has been the experience with textile securities, with prices holding firm. The period for orders has reached a seasonably quiet one as well, but the mills are gaining all the time in the orders on which they were behind. The hot weather all over Eastern Canada has proved a handicap so far as labor is concerned, and mills in Quebec Province particularly, where the heat range broke all records, as in Montreal, for instance, have found many vacancies as a result of the weather. The taking of involuntary holidays has reduced the output.

In practically all lines buying is reported easier than a year ago, but it is too late now to affect the profits for 1917 to any extent, even if the orders should fall off materially in total amount in addition to being spread out more thinly over the whole season.

A favorable factor for the cotton textile mills is that the raw market continues to remain down at about the level it has occupied for some months now. During the week there was a flurry upwards on the receipt of an unfavorable Government report, and it went up 1½ cents in a day. Some of this advance was lost subsequently.

The condition for the knit goods mills are not so bright, and an order went into effect this week in England that the yarn output must be cut by 40 per cent. This may reduce available supplies for Canada.

	Close, July 26	Close, Aug. 2	Change
Can. Conv., com.	42	..	..
Can. Cot., pref.	78	78	..
Dom. Tex., com.	84	84	..
Mont. Cot., com.	53	54	+ 1
Do., pref.	100	..	..
Penmans	70	70½	+ ½

Canadian Cottons.

This is a between seasons' time with Canadian Cottons, as the only spring lines that have been shown are dress ginghams, and the other lines will not be ready until the 1st of September. As in nearly every case the openings are coming later this fall, in the United States as well as in Canada, as the mills with orders on hand still unfilled are not anxious to load up with new. In speaking to FINANCIAL POST this week, A. O. Dawson, vice-president and managing director of Canadian Cottons, stated that he expected that labor conditions this fall would show about an equal supply to that of one year ago. "So far as enlarging or bringing out new lines is concerned, we are feeling our way along and meeting our needs as they come."

A few shares of common were sold at 52, which is one point above the last recorded. Preferred were quiet.

PENMANS.

Selling of lines for next Spring is proceeding steadily and already the limited allotment that was made is beginning to be felt and one line has been taken off the list. This is done in order to make sure that the mills will be able to deliver every order that is contracted for. While sales under these conditions are less than in the case of some companies the net production is of course unaffected, as new contracts are accepted for these lines if conditions warrant, and at the same time this prudent policy places the company in an advantageous position with the trade, as being absolutely dependable in the matter of deliveries. It is too early yet to estimate the total of the new business as compared with that of the corresponding season last year. Nor will this be possible for some time as the orders this Fall are certain to be spread over a longer period both on the part of the retailer and wholesaler than one year ago. The security market was hardy touched, a few shares being sold at 70½, a drop of ½ compared with two weeks ago.

COSMOS COTTON.

The list of Canadian dividend-paying corporations has been increased by the addition of the Cosmos Cotton Co., of Yarmouth, N.S. Directors of this company have declared a three per cent. dividend for the half year ending June 30, 1917, payable August 15 next, and will continue to pay dividends at the rate of six per cent. per annum. The Cosmos Cotton Co. was incorporated in 1902 for the purpose of manufacturing cotton ducks, twines and yarns. A few years ago control was acquired by the International Cotton Mills, which hold $470,400 of the $600,000 capital stock. A bond issue of $300,000 was made in 1902 and a second issue of $192,000 in 1912, to provide for extensions these amounts have been considerably reduced through the annual retirement of debentures. The company has been making excellent progress during recent years and the state of its finances is such as to warrant a return on the capital stock. John H. Killam and S. W. Williamson of Yarmouth are president and vice-president respectively, while International Cotton Mills interests are represented on the board by S. H. Green and A. L. Scott of Boston, Mass.

TRANSPORTATION

Government Announcement re C.N.R. an Endorsation of Policy of Public Ownership.

There can be no doubt but that the announcement of the Dominion government of its proposal to take over the Canadian Northern Railway indicates that public ownership is favored as a policy. For the time being further financial assistance is to be given to the Grand Trunk Pacific but this is indicated as being a temporary rather than an ultimate solution and the inference is that there will be a development of the public ownership policy in the future. However, how far this is sincere and how far it may be a concession to popular opinion in the last days of the government's present term is a matter of conjecture.

The popular demand is for public ownership. The government has undoubtedly recognized this. The examples of the unfavorable results of government railroads in other countries are overlooked. The political power which has been created in Ontario by Sir Adam Beck and the Hydro commission has no doubt had an appeal at a time when it is desirable to get into the good graces of the voters. However, for the time being the proposal embraces the Canadian Northern alone and it is to be hoped that an opportunity will be given for a satisfactory test before any further step is taken. In that event we feel that the results—if they are candidly revealed—will be such as to discourage a further extension of the government system. The difficulty is that it is impossible to get details of the results of government operation in relation to the actual service rendered and cost to the people.

For the present it is impossible to consider the proposition in detail and efforts to secure opinions of transportation authorities have, therefore, not as yet brought results. However, it would appear that there is an endeavor to create the impression that by using the present system of operative control there will be no party influence. Those who understand the party political system will at once recognize that such a contention does not hold water when it is explained that the directorate will be controlled by the government.

Regarding the Canadian railway situation and the recommendation of the Royal Commission, a British financial authority, writing to THE FINANCIAL POST, says that he does not think that British investors have been influenced very much by the report referred to. They think, he says, that the Canadian Pacific can look after itself, that the Grand Trunk will be given a square deal, and that the Canadian Northern difficulties are largely the fault of Mackenzie & Mann. There is very little disposition to deal in "Trunks," however, pending a settlement with the Government of Trunk Pacific guarantees. It is hardly hoped that the company will be relieved of all responsibility in this respect. It is recognized that the Canadian Govern-

Continued on page 4.

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL - $15,000,000
REST - - $13,500,000

Head Office, TORONTO

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SIR JOHN AIRD - - - General Manager
H. V. F. JONES - - Ass't General Manager

The Bank has branches in every part of the Dominion of Canada, as well as in St. John's, Newfoundland; New York, Seattle, San Francisco, Portland, Ore.; Mexico City, and London, England. By reason of its many branches in Canada, the Bank is able to place at the disposal of correspondents abroad excellent facilities for the transaction of every kind of banking business.

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Collections made in any part of Canada at reasonable rates.

A GENERAL BANKING BUSINESS TRANSACTED

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HEAD OFFICE - TORONTO

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W. D. Matthews, Vice-President
C. A. BOGERT, General Manager

The London, England, Branch of The Dominion Bank at 73 Cornhill, E.C., conducts a General Banking and Foreign Exchange Business and has ample facilities for handling collections and remittances from Canada.

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The Weyburn Security Bank

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NINETEEN BRANCHES IN SASKATCHEWAN.

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A General Banking and Foreign Exchange Business Transacted.

UNION BANK OF CANADA

Dividend No. 122

NOTICE is hereby given that a Dividend at the rate of eight per cent. per annum, upon the Paid-up Capital Stock of the UNION BANK OF CANADA, has been declared for the current quarter, and that the same will be payable at its Banking House, in the City of Winnipeg, and also at its Branches, on and after Saturday, the 1st day of September, 1917, to Shareholders of record at the close of business on the 16th day of August, 1917.

The Transfer Books will be closed from the 17th to the 31st day of August, 1917, both days inclusive.

By Order of the Board,

H. B. SHAW,
General Manager.

Winnipeg, July 17th, 1917.

NEWS OF SECURITIES

Continued from page 3

ment's position is difficult, the great prosperity of the C. P. R. naturally creating a public opinion with regard to the railway question generally, which renders concessions to relieve Grand Trunk and Canadian Northern unpopular, but it is not believed that official Canada will be so unwise as to be unfair.

In the United States the storage committee of the General Munitions Board of the Council of National Defence is calling upon the Government, and, indeed, every purchaser of goods to make every effort to buy near the point of utilization so as to make the one necessary railway haul as short as possible. Shipments of goods into districts where the same goods are manufactured and other lack of co-operation between buyer, railroad, shipper and consignee must cease. An example of the advantages of pooling arrangements is seen in the handling of coal where co-operation between operators, railroads, mines and vessels is resulting in the equivalent of 53,000 cars being added to the railroad equipment. Shippers are also called upon to use the motor truck more extensively for delivery to nearby points.

CANADIAN NORTHERN.

The Government has decided the future of the Canadian Northern. The Minister of Finance has announced the proposal to buy the $60,000,000 of common stock, which is largely in the hands of Sir William Mackenzie and Sir Donald Mann. The price will be left to arbitration. The corporation will remain constituted as at present, and the directorate may not even be changed, although developments are to be expected in this connection with the Government in control of the situation. So far as the holders of the bonds and the debenture stock are concerned, the change is that the Government will control the board rather than Mackenzie and Mann. This would seem to give added stability to the fixed securities, although there is the question to be considered as to the ultimate worth of the property under Government control as compared with private operation. The question of the value of the common stock promises to be a difficult one to decide, as it involves not only the subsidiary concerns, but the factor of potential worth. Company officials have made no statement in connection with the matter, but to judge from what has previously been said about the recommendations under the Royal Commission, it would appear that the issue has been forced upon them, and that they are endeavoring to secure the best possible settlement for the common stock. Holders of the company's securities will read with relief the review of the position of the company by the Minister of Finance, which is a marked contrast with the position which the Government has been taken that the situation was such that a further extension of credit on the part of the State was not warranted.

The gross earnings of the Canadian Northern Company for June amounted to $4,048,600, as compared with $3,377,200 for the same month last year, showing an increase of $671,400. Operating expenses were $2,961,000, against $2,392,200, an increase of $568,800, while the net earnings, amounting to $1,087,600, showed an increase of $102,600. The following figures will show that there has been a steady increase in the net earnings for the past few months:

Net.	1917.	1916.	Change.
Jan. ......$	482,100	$255,400+	$226,700
Feb.	108,200	129,400—	21,200
March	618,100	366,400+	251,700
April	757,900	549,900+	208,000
May	1,054,400	727,200+	327,200
June	1,087,600	985,000+	102,600

Following are comparative figures of gross earnings for the last and previous weeks of July:

	1917	1916	Inc.	%
July 7....$	902,300	$ 885,100+	$17,200	1.9
July 14....	985,600	874,900+	60,700	6.9
July 21....	872,100	866,900+	5,200	0.6
July 31....	1,134,900	1,207,300—	72,400	5.9
July	$3,844,900	$3,834,200+	$10,700	.2

GRAND TRUNK.

In announcing the policy of Government ownership for the Canadian Northern, the explanation was made that financial conditions did not warrant the carrying out fully of the recommendation of the Drayton-Acworth report. Temporary assistance is to be given to the Grand Trunk Pacific in the shape of a further credit of $7,500,000 and the Grand Trunk will continue as it has been. Whether the intimation of an extension of the Government ownership policy later will be followed out, whether a change will be made when the Government has experience with one transcontinental system, or whether the idea is to give pre-election satisfaction to public opinion is a matter for speculation. In any event there is a period of uncertainty facing the holders of Grand Trunk securities.

Commenting on the statement of Alfred Smithers, chairman of the Grand Trunk railway, in reply to the majority report of the Royal Commission appointed to enquire into the transportation problem in Canada, *The Financier*, of London, believes that the arguments presented can hardly fail to make a deep impression on the Canadian people. They constitute, in the opinion of this journal, another cogent protest against the erroneous conclusion and unwise recommendation of the majority report, being, so to speak, the last nail in the coffin of that generally discredited document. *The Financier* believes that Mr. Smithers need be under no apprehension that the Dominion Government will adopt the majority commissioner's proposal with the approval of the people of Canada. These proposals, it is argued have been killed by criticism on every side and Grand Trunk shareholders may rest assured that whatever solution of the Canadian railway problem is ultimately adopted, they will no be made the victims of injustice.

CANADIAN PACIFIC.

The Canadian Pacific is not directly affected by the announcement of the Government railway policy, which follows the recommendation of both the majority and minority reports of the Royal Commission in that so far as the C.P.R. is concerned, good enough is left severely alone. There is, however, created an element of uncertainty as to the result of Government ownership competition. On the one hand the results would seem likely to be favorable with the usual inefficient service which is given under Government operation. On the other hand there is the possibility of freight rates being manipulated for political purposes at the sacrifice of earnings; this would mean unfair and unhealthy competition. So far as the stock market is concerned there was no indication that the announcement had any particular effect upon the position of the company's securities.

CANADA STEAMSHIPS.

Indirect attention has been drawn to the Canada Steamships securities by the publication of reports of immense earnings by the big British companies. There was a better tone evident and some improvement in price to 42. Five big Liverpool companies showed profits in 1916 of $35,000,000, or $20,000,000 more than their average for three years prior to the war. This indicated an improvement of 133 per cent. after the payment of excess profit taxes and making provision for all contingencies. Under the influence of these reports there was optimistic talk of the prospects for Steamships common. Steamships preferred has been somewhat firmer of late and touched 79¾ this week.

MILLING

Interest in the Conference of Millers and Food Controller and Question of Price Fixing.

By J. L. RUTLEDGE,
Editor Canadian Grocer.

Considerable interest has been displayed in the conference of milling interests held with the Food Controller at Ottawa this week. However, it is not expected that this will have any immediate effect upon the situation, which continues somewhat uncertain owing to lack of definite information as to what, if any, further steps may be taken by the Government. Millers do not believe that their profits will be affected for the current year at least, nor do they see that effective action can be taken on the question of price control until there is an understanding reached with American officials, so as to establish a common market basis for both countries.

Reports indicate that the flour market is likely to remain steady for some time, pending definite action along the lines referred to. A feature of the situation is the strong demand for by-products, which are used as feeds.

LAKE OF THE WOODS.

Another week has passed without transactions in Lake of the Woods securities. Offers at 127 and 128 have recently been posted on the Montreal Exchange as compared with last sales at 125, but they have not brought out offers.

MAPLE LEAF.

After a temporary decline last week to 100, from 102, Maple Leaf common has recovered to the higher figure. This, however, is three points below the best showing of July. The preferred recently sold at 94, showing practically no change.

OGILVIE.

Ogilvie common has been out of the market this week. Quotations at Montreal have been 150 asked and 145 bid, which compares with last sales at 148. The preferred sold at 110½-111, which was somewhat easier than the last sales about the middle of July.

ELECTRIC RAILWAYS

No Improvement in Public Utility Stock—Income Tax Discriminates Against Private Companies.

In the electric railway and other public utility stocks there has not been any particular change during the week from the last market standpoint. The movement during the month of July was not a broad one as will be noted from the chart appearing in this issue. However, the decline since the first of May is very noticeable and there is no indication of an early improvement in the situation.

The new Canadian income tax discriminates to some extent against privately owned utilities as compared with those publicly owned and this discrimination is particularly unfair where there is competition. The profits of the private company are taxed 4 per cent., which must be deducted from the shareholders' surplus, while the public concerns go free.

Holders of public utility securities will be interested in the summary of the hydro situation in Ontario, which has been brought to a head by the decision of the Privy Council to hear the claims of the Electrical Development Company, that their franchise rights have been illegally encroached upon by the Hydro Electric Commission in carrying out its projects. The case promises to be one of intense interest. In the meantime it would seem advisable that the Commission should go slow with the Chippewa development, but the point is now made that this project may be outside the jurisdiction of the charter of the Ontario Power Company, which has now been taken over by the Commission.

ILLINOIS TRACTION.

The gross earnings for the six months ending June 30 were $6,436,517, compared with $5,854,149 for 1916, an increase of 9.95 per cent. The net earnings were $2,198,916, compared with $2,214,103, or an increase of 3.83 per cent. The increase in gross earnings of 1916 over 1915 for the six months was 10.62, and in net earnings 9.26, so that there has been a steady increase.

For the month of June the gross earnings were $1,068,208 as against $933,019 last year, an increase of 12.35 per cent. The increase of 1916 over 1915 was 10.14 per cent. The net earnings for June were $327,219, or 1.99 per cent. increase over the $320,886 of 1916, which ran 5.80 per cent. over June, 1915. With the exception of a portion of 1914 and 1915, Illinois Traction has shown regular increases.

This company is controlled by the Sun Life Assurance Co., which holds $1,602,300 preferred stock and 58 per cent. of the common.

There has been little trading in the stock for months, the last quotation for preferred being 83½.

DETROIT UNITED.

The returns for the month of June show a total revenue of $1,517,668, an increase of $121,946 over June, 1916. Operating expenses were $1,153,546, or an increase of $145,948, so that the net revenue of $364,122 showed a decrease of $24,001.

For the six months ending June, the total revenue was $8,728,634, an increase of $1,034,345; expenses, $6,177,860, an increase of $977,551, and net revenue $2,550,774, or an increase of $56,793 over the corresponding period of 1916.

TWIN CITY.

The performance of the Twin City Railway Company for the month of June as reported in an official statement, shows gross earnings just five dollars ahead of the corresponding month of 1916. Operating expenses, however, were more than $30,000 in excess of a year ago, which left the net revenue that much smaller. Fixed charges and taxes took nearly $6,000 more, and the net income left was nearly $64,000 less.

During the first half year of the company the gross earnings were $164,000 greater than in 1916. As operating expenses, however, were increased by $264,000, net earnings were reduced by $97,000. The net income for the six months was reduced $122,000. As the total net income stands at $891,861, however, the company maintains a strong position in relation to dividend requirements. Following are comparative figures:

Year to date, six months—

	1917.	1916.
Gross revenue	$5,175,944	$5,009,415
Oper. expenses	3,406,571	3,142,623
Net revenue	1,768,372	1,866,792
Fixed charges and taxes	877,511	853,387
Net income	891,861	1,913,404

There were only a few sales of the stock this week, the price being unchanged at 85.

BARCELONA.

There was again little trading in Barcelona during the week. The price fluctuated a quarter point between 11 and 11¼, but indicated no real change from the level of the past month or so.

BRAZILIAN.

Considering the generally dead state of the market, there has been considerable interest displayed in Brazilian Traction this week. The market, too, displayed a good tone under the circumstances, and when 39⅞ was touched it was the best price since the middle of July. The exchange situation and general outlook continues good.

QUEBEC RAILWAY.

Quebec Railway has been one of the few stocks to attract much attention from the traders this week. The volume of business has been large in comparison with the total sales. The price has ranged 21 to 22 and a fraction better. There has not been any particular news, but it is reported that there have been some developments at Ottawa which reflect favorably on the situation, and that this has influenced buying.

TORONTO RAILWAY.

On light trading Toronto Railway stock has failed to develop any new trend this week, and the price has ranged 74 to 75, as for some weeks passed. The sittings of the Board of Conciliation dealing with the dispute between the company and its employees are proceeding. One of the principal points which has been under consideration has to do with the closed shop. The chairman has stated that the result of various inquiries indicates the tendency of the men to insist on the closed principle, and of the companies to take the opposite view. There may be a split on this point, but Judge Snider is hopeful that satisfactory arrangements will be made to meet the wishes of both parties on other less contentious matters.

WINNIPEG ELECTRIC.

A few sales of Winnipeg Electric this week at 40 indicate no change in the market opinion of the value of the stock of that company, which has suffered so disastrously since the outbreak of the war.

DULUTH-SUPERIOR.

For the third week in July the gross earnings of the Duluth-Superior Traction Co. amounted to $30,467, an increase over the same period last year of $3,199, or 11.7%. For the month to date earnings amounted to $95,666, as compared with $84,051 in 1916, an increase of $11,615, or 13.8%. There has been no trading in the stock this week.

B. C. ELECTRIC.

The inquiry regarding the B.C. Electric Railway is being continued. A phase of the situation which is attracting attention is the stand being taken by the jitneys which is regarded as amounting to a fight for their existence. A mass of evidence is being submitted to show that they are responsible for the falling off in the company's receipts, but the jitney operators contend that they are not the main, but only a contributory cause of the decline.

It is reported that the company has made an offer to sell out and that it would be willing to accept in payment provincial bonds, bearing interest at a reasonable rate, the Provincial Government to take over the inter-urban lines and the different cities the lines within their borders and running out to the surrounding suburbs; the Government would take over the light and power plants supplying power at a fixed rate to the different cities.

DULUTH-SUPERIOR.

The report of the Duluth-Superior Traction company for the half year ending with June makes a very satisfactory showing, especially in view of the conditions which have prevailed. Operating revenue amounted to $762,440, an increase of 16% compared with the corresponding period of 1916. Expenses for operation were considerably higher at $489,396, the increase being 13.84%. However after the deduction of this amount and making appropriations for taxes, there was a net operating income of $232,165, showing an increase of 23.3%. Other income amounted to $11,294, making a total gross income of $243,459, an increase of 24.11%. Deductions for interest and other charges amounted to $87,476, leaving net income to be transferred to the credit of profit and loss of $155,983, an increase of 41.05%.

For the month of June operating revenues amounted to $126,287, an increase of 11.76%. There was, however, a proportionately larger increase in operating expenses, which amounted to $81,176, which was higher than for June of 1916, by 14.08%. Operating income at $37,408 showed an increase of only 4.36%, and net income of $25,032, showed an increase of 9.82%.

For the first three weeks of July the company's gross passenger earnings amounted to $95,666, an increase of 13.8%, compared with an increase over the year to date of 16.7%.

LIGHT AND POWER

ONTARIO POWER.

Transfer of the Ontario Power Co. at Niagara Falls to the Hydro-Electric Commission of Ontario was effected August 1. The Commission bought the stock and will keep the company in its old form as a corporation, merely electing a new directorate. For the company the Hydro-Electric Power Commission paid $23,000,000, taking over the entire issue of stocks and bonds. Stock was bought by the commission at $80, payment being in 4 per cent. gold debentures guaranteed by the Province of Ontario. Stockholders, however, were required to take over $3,004,700 of the stock of the Niagara, Lockport and Ontario Power Company, which stock was held by the Ontario Power Co. The Niagara, Lockport and Ontario is the transmission line on the American side of the frontier. In this adjustment each holder of 100 shares of Ontario power stock is required to deposit $2,020.42, for which he receives 13.85 shares of its preferred stock of the Niagara, Lockport and Ontario; 9,872 shares of second preferred stock and 6,325 shares of common stock. Fractional lots were adjusted at the following prices: First preferred at $95 a share; second preferred at $55 a share; common at $14.618 a share. It was announced that a syndicate had been formed to purchase from stockholders their shares in the Niagara, Lockport and Ontario if they desired to dispose of them at the adjustment figure for fractional lots.

ALABAMA POWER.

The gross earnings for June were $170,578, an increase of $49,496 or 41 per cent. over June, 1916. The net earnings for the same period were $108,062, an increase of $39,124, or 57 per cent. over the previous year. For the twelve months ending June 30, the gross earnings were $1,778,141 compared with $1,259,500 for 1916, an increase of 41 per cent. The net earnings for the twelve months were $1,162,729, an increase of $388,158, or 50 per cent.

As compared with three years ago, the increases are very large. For the twelve months ending June, 1914, the gross total was only $441,326, and the net $162,451.

SHAWINIGAN.

Shawinigan has sold this week at 119-119½, with the bulk of the small volume of business at the lower figure. The tendency of this stock has been easier for some time. The net loss since the first of June has been 3 points and over ten points since the first of the year. It is doubtful, however, if from the standpoint of intrinsic value the change in prices indicates anything more than the adjustment of investment values which has been taking place in sympathy with the rise in money values.

CIVIC INVESTMENT.

Civic Investment at 75 this week was somewhat easier than last. However, the stock is one which has held its market very well during the period of readjustment of investment values.

Gross earnings for the first two months of the current fiscal year, May and June, totalled $1,549,000, leaving a surplus for dividends for that time of $673,000.

Since the distribution of stock at the time of the merger, at the beginning of August last, 30 per cent. of the stock in brokers offices has found its way into the hands of investors, and steady accumulation is still in progress.

TORONTO ELECTRIC.

It is announced that on the 1st of September the Toronto Electric Light Company will make an increase of ten per cent. on all power contracts; domestic rates to remain unchanged. The rates as advances will be on the same basis as the Hydro-Electric. The increase in the cost of fuel and labor and other factors making for higher cost of production are mentioned as the reasons for the advance.

OTHER STOCKS

Events of the Week Have no Effect Upon the Dull and Quiet Situation.

The week's events have had no particular effect upon the stock market situation in Canada. In fact, the dullness has, if anything, been more pronounced with the heat wave assisting in the discouragement of trading interest. In New York there was an improved note, and the trend of the week was upward, but this had little or no effect on the Canadian exchanges. In some circles there is a feeling that this movement will be reflected in the near future, and as the market is pretty well bought up, some advances may be recorded. However, such a movement would not likely be more than a flurry, as the financial situation is not encouraging to any broad movement or extended activity. Any substantial improvement in the whole situation can hardly be looked for while money is scarce and interest rates rising, and while the war outlook continues so uncertain.

The improvement in New York referred to appears to have been the result of a better feeling with regard to the price-setting proposals. More careful consideration of the whole matter seems likely to impress upon the Government the danger of cutting prices so close as to reduce profits to the extent that the required expansion of output will be discouraged. Taxation schemes are also giving more consideration to the necessity of encouraging capital to venture into new undertakings where possibilities for making good returns must be commensurate with the chances taken.

CANADA BREAD.

With the whole situation as regards foodstuffs in such an unsettled condition there is more or less uncertainty in the manufacture of bread. However, as profits are usually established upon a margin over the cost of raw material they can be reasonably assured. The conference of the milling interests and the Food Controller at Ottawa this week may have some bearing upon the situation, in that fixed prices for wheat and flour are being considered. However, it is not likely that definite action will be taken in the near future, as it is considered advisable that when a course is decided upon it should be similar to that taken in the United States. Canada Bread common has been inactive for a couple of weeks. There are offers at 15 without bids; last sales were at 15. The preferred attracts no attention.

CANADA CEMENT.

There has been even less trading in Canada Cement during the past week than during the previous weeks of the midsummer dullness. Less than 150 shares changed hands. The price range at 60¾-60½ showed a fractional decline from last week, although quite up to the month's average. The preferred dropped two points, being ex-dividend 1¾ per cent.; few shares changed hands.

COCKSHUT PLOW

A recent feature of London trading in Canadian industrial securities was the rise of Cockshut Plow preferred to over 80. This company's preferred dividends are now three years in arrears and, previous to a few weeks ago, the stock had been practically neglected, being quoted nominally around 55. The company is not lavish with official statements as to its position and the inference naturally drawn from the sudden upward movement of the stock was that its position was known to have improved to an extent which rendered the early resumption of preferred dividend payments a strong probability. The company's year ended June 30 and information secured by THE POST is to the effect that business is in excellent shape, that collections have been good, that indebtedness has been greatly reduced, and that sales increased over last year more than $200,000,000. This despite the fact that hundreds of thousands of dollars worth of business was lost through lack of material and scarcity of labor. There is about four months export orders on the company's books and the western business could have been greatly developed had the concern been in a position to supply the demand. Heavy orders have been handled for the Imperial Government and big business has been booked for South Africa, Australia and South America.

DOMINION CANNERS.

There has been no trading in Dominion Canners for the past fortnight. However, there is an easier tone to the market in evidence, there being offers at 22, with 21 bid, as compared with a last price of 23.

GENERAL ELECTRIC.

Canadian General Electric showed a recovery this week on light trading. The price, which last week declined to 101, moved back again to 103, equal to the best of the month.

GOODWINS.

Goodwins, Limited, have been showing a steady increase in sales this year compared with the corresponding period of last year. This does not mean, either, that the total in dollars alone is more, for the totals now must be considerably higher in order to make allowance for the increased cost of goods; Goodwins are running ahead in turnover as well as in receipts. From the point of view of percentage of profits to the turnover, revenue will not be as large this year as last. For one reason, the overhead costs are much greater, and labor is not as efficient as it was. Moreover many stores are taking a smaller percentage of profit now that the cost of goods has risen so high, in order not to check sales. In a case like this, there is not only the local competition, but that of the mail order houses as well. While the immediate profits are not as large, the investor has compensation in the knowledge that the building up of sales on a moderate profit at times like the present may turn out to be the wisest policy, looking to the confidence of the public for the future. And on this rests the real basis for the strength of any stock of a retail business.

MACDONALD.

A block of fifty shares of A. Macdonald common sold this week at 14½. The price showed a fractional decline from last sales in July at 14¾. The range for the month has been 13½ to 15 on a volume of business covering about 500 shares.

MARITIME TELEGRAPH.

Much of the future of the Maritime Telegraph and Telephone Company depends on the outcome of the recent hearing as to the company's schedule of rates, which came before the Nova Scotia Board of Public Utilities. The law provides that public utilities companies may earn a dividend of eight per cent. on the actual amount of capital invested in its plant, and in making the enterprise a "going concern," and the problem is how to arrange the rates to produce this and no more. It was shown that the company must be enabled to earn $206,000 over operating expenses to pay such a dividend. It is generally conceded that the rates must be advanced on both business and residential telephones, probably 20 per cent. on the former, and 10 on the latter. During the last two years both the company and Public Utilities Board were at work making a valuation of the company's plant, the result being that this was cut down three-quarters of a million dollars from the figures reached by the company.

The proposed schedule of rates was prepared by a Boston expert. His report was left open for consideration alike by company and board, but in the main it is likely it will be adopted, and the public will pay higher rates.

There has been a general feeling on the part of the public that rates must increase, and so far as the people are concerned, what they ask seems to be a better service rather than a curtailing or drastic regulation of rates.

The company now pays a dividend of six per cent. on its capital, but as this capital is larger than the valuation of the plant and the whole property, it will take eight per cent. on that valuation to enable the company to pay six per cent. on the capital shares. If the schedule is not made sufficient to yield eight per cent. on the valuation, there is a strong prospect that the shareholders will have to be satisfied with less than 6 per cent. on their stock. As to service, the Maritime Telegraph and Telephone gives one that is fairly up to the mark.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High	Low
F. N. Burt, pref.	88¼	88¼
Steel of Can., com.	57½	57
Do., pref.	91	91
Can. Steamships, com...	42½	42½
Do., pref.	78⅞	78⅞
Dom. Steel	61¼	61¼
Mackay, pref.	64⅛	64⅛
Locomotive	61⅞	61⅞
Brazilian	39¼	39¼
War Loan (1931)......	96	96
Do., (1937)......	95⅛	95

UNLISTED STOCKS.

	Bid	Asked
Abitibi, com.	52.00	60.00
Belding Paul, com.	.....	14.00
Black Lake, bonds	20.00	26.00
Brock, W. R., Co.	.....	100.00
Campbell Flour, com. ..	.....	55.00
Can. Machinery, pref....	43.00	45.50
Can. Machinery, pref....	43.00	45.50
Chapman Ball Bear.....	33.00	.....
Cockshutt Plow, pref....	65.00	.....
Crossen Car, bonds	97.00	100.00
Dominion Canner,s pfd..	70.00	75.00
Do., bonds	88.00	91.00
Dominion Glass, com....	21.00	25.00
Dom. Perm. Loan	67.00	71.00
Dom. Power & Tran, com.	.....	58.00
Dunlop Tire, pfd.	90.00	97.00
Dunlop Tire, pref.	92.00	95.00
Eastern Car, pref.......	.....	65.00
Goodyear Tire	185.00	197.00
Home Bank	64.00	67.00
Howard Smith, pfd.....	.....	77.00
Imperial Oil	390.00	405.00
Imperial Steel, pref. ...	.....	5.00
Lambton Golf Club.....	.....	400.00
London St. Ry. (par $40)	.....	36.00
Macdonald, pfd.	81.00	83.00
Mex. Mahogany bonds...	.....	57.00
Monarch Knitting, pfd...	.....	75.00
Nat. Drug, 7% pref......	90.00	.....
Nat. Telephone 5's	.....	85.00
Wm. Neilson, Ltd., com..	50.00	.....
Ontario Pulp Bonds	80.00	84.00
Penman, Ltd., 5's	.....	88.00
Penn. Water Power, com.	71.00	.....
Robert Simpson, pfd....	.....	85.00
Sheldons, bonds, 6%	.....	95.00
Standard Reliance	47.00	.....
Standard Reliance	46.00	49.50
Sterling Bank	89.00	92.00
Sterling Coal, 6% bonds.	60.00	65.00
Trusts & Guarantee	85.00	.....
Trust & Guarantee	84.00	89.00

THE C.P.R. KEEPS DOWN THE COST OF OPERATION

While Comparisons With 1916 Are Slightly Unfavorable.

LESS THAN TWO YEARS AGO

It Costs Between $60 and $70 to Run Railway Out of Every $100 Received — Last Six Months Establish New Record For Receipts.

The returns of the gross revenues and expenses of the Canadian Pacific for the six months ending June 30 are at once very favorable in constituting a new high record, and slightly unfavorable in the sense that a serious increase in operating costs is indicated, more than keeping pace with the remarkable advance in the volume of receipts. These remarks about the returns for the six months apply equally to the single month of June. However, a closer analysis of returns for a number of years past gives a more encouraging aspect.

As the company last year changed their fiscal year so as to end on Dec. 31, instead of on June 30, the latest returns as given out this week, cover the first six months of the new year. Later they will be compared when treated as making up the balance of a twelvemonth.

For the six months the gross earnings were $71,356,776.52, as compared with $63,011,721.90, for the corresponding period of 1916. This shows a gain of $8,345,054.62, or 13.2 per cent. But at the same time the operating costs ran up from $43,409,988.58 in 1916 to $50,389,327.79 or $6,949,339.21, which works out at 16 per cent. advance. The increase in net profits was $20,997,448.73, as compared with $19,601,733.32, or a net gain of only 7.1 per cent.

For the month of June alone, a similar relation, due to relatively increasing costs of operation is shown. The gross earnings were $13,556,979.69 compared with $11,892,609.75 for June 1916, or an increase of $1,664,369.94, which in 13.9 per cent. The working expenses increased from $8,202,976.64 last June to $9,641,073.49 this June or 17.5 per cent., while the net earnings rose from $3,689,633.11 to $3,915,906.20, an increase of only 6.1 per cent.

For the sake of a further comparison let us add the returns for the six months of this year to those for the last six months of 1916, making a full twelvemonth and comparing with the returns for the year ending June 30, 1916. These are as follows:

Gross Earnings.

12 months to June 30, 1917..	$148,174,741
12 months to June 30, 1916..	129,481,884
Increase	18,692,857
Increase per cent.	14.4

Operating Expenses.

12 months to June 30, 1917..	$ 96,202,526
12 months to June 30, 1916..	80,255,964
Increase	15,946,562
Increase per cent.	*19.8

*As compared with 14.4 in gross earnings.

Net earnings in the twelvemonth increased from $49,224,920 for 1916 to $51,972,215 for 1917, or slightly over 5 per cent.

In other words the increase in operating expenses is far greater than the gross increases, and if the comparison stops here, it would seem that there was a danger that when the increase in gross earnings ceases, as it well may for a time, and the operating expenses are still on the up-grade, there will begin to be decreases in net profits rather than increases.

But a wider comparison over a period of years does not bear out the assumption that a comparison of 1916 with 1917, that the present costs are abnormal. Consider this from the standpoint of the amount that is taken out of every $100 of gross earnings to pay expenses. For June, $71.10 was taken out of every $100 received; while in June 1916, only $68.90. But taking the past eight years, and considering the very high figures of labor at present the comparison is fairly favorable.

June	Cost for $100 Received
1917	$71.10
1916	68.80
1915	72.00
1914	69.60
1913	67.8
1912	66.10
1911	68.7
1910	67.6

Six Months' Comparisons.

The figures for periods of six months, bear out the comparison even better. The relation of the operating costs for every $100 of gross earnings were as follows:

6 mos. ending June	Cost for $100 received
1917	$66.1
1916	67.8
1915	69.1
1914	63.9
1913	65.1
1912	67.7

Thus, for the first six months of 1917 the cost was really less on every $100 than last year, or in 1915.

Working out similar comparisons for the year ending June 1917, the results are as follows:

For year ending June	Cost for $100 received
1917	$64.9
1916	61.9
1915	66.04
1914	67.32

Referring again to total receipts for the six months ending June 30, the growth in gross and net earnings for the past 6 years are indicated as follows:

Six Months—	Gross	Net
1917	$71,356,776	$20,997,448
1916	63,011,721	19,601,733
1915	42,527,084	13,901,050
1914	54,528,660	15,114,491
1913	65,869,508	19,114,723
1912	60,753,175	18,827,994

LITTLE INFORMATION ABOUT CANADIAN NOTES

Measure of Success of the Sale is Not Indicated in Morgan Statement.

With the brief statement that subscriptions for the $100,000,000 2-year, 5% notes of the Dominion of Canada had been received "in sufficient volume" to relieve entirely the syndicate members from liability as participants, J. P. Morgan & Co. anounced yesterday the result of this week's big flotation in New York. The measure of success is problematical and will not be apparent until the allotment figures are produced. During the week Canadian bond houses were advised that the issue was not going any too well, and from the entire absence of enthusiasm in the Morgan statement it would appear as if there might be some grounds for believing that the over-subscription was by no means so great as had earlier been expected.

It must be remembered, of course, that two-year notes are largely a banking investment and that, on that account, the field of sale is limited. United States banking houses having large obligations with respect to recent and future war financing, might not feel inclined to commit themselves at all heavily on Canadian account.

Several Canadian bond houses were included in the underwriting syndicate, but the extent of the sale of the notes in Canada was limited. Prospective investors were tried out quietly, but it is understood that the response was not particularly encouraging. Institutional buyers have for the most part adopted the policy that it is not desirable to invest in a loan intended primarily for the purpose of liquidating an adverse trade balance, and, while the Government took no action to prevent such investing, its views on the question are pretty generally known.

STEADY INCREASE.

Fire Losses in United States and Canada Are Getting Larger.

Losses by fire in the United States and Canada have been steadily increasing during the past three years. In times of commercial crisis the records of fire losses have always been inclined to show large increases. For the first six months of this year, the amount of wealth wasted by fire in America shows an alarming increase over 1915 or 1916.

The losses by fire in the United States and Canada during the month of June, as compiled from the records of The Journal of Commerce of New York, reached an aggregate of $15,513,270, as compared with $12,247,500 in 1916, and $10,893,950 in 1915. The losses for the first half of 1917 reach the unusually heavy total of $144,621,725, as compared with $125,776,420 last year, and $92,391,000 the year before. The following table gives a comparison of the losses by months for the first half of this year with those of 1916 and 1915, together with the losses for the balance of those years:

Jan.	$20,060,600	$21,423,350	$36,431,770
Feb.	13,081,250	24,770,770	29,587,660
March	18,788,400	38,680,250	17,523,000
April	18,180,350	12,681,050	18,597,225
May	11,388,450	15,973,500	24,968,800
June	10,893,950	12,247,500	15,513,270
Total six months..	$92,391,000	$125,776,420	$144,621,726
July	9,006,800	23,013,800	....
Aug.	10,067,100	10,745,000	....
Sept.	14,823,500	12,244,625	....
Oct.	14,465,850	17,701,375	....
Nov.	21,204,850	19,898,450	....
Dec.	20,877,100	22,063,325	....
Total for year....	$182,836,200	$231,442,995	....

There were some 230 fires during the month of June this year, each of which caused an estimated property damage of $10,000 or over. This compares with 261 such fires in May, 244 in April, 270 in March, 381 in February and 303 in January, making a total of 1,689 fires of $10,000 or over in the first half of 1917.

A CORPORATION THAT CAN PAY NO DIVIDENDS

Unique Charter of Enterprise Organized for Welfare of the Public

In 1912 there was organized under the laws of the State of New York a corporation in the charter of which stands a provision, rightly characterized as "unique," forbidding any dividends to be paid on the capital stock. One of the avowed purposes of the corporation is to make all the money it can.

The year before an American chemist, Frederick Gardner Cottrell, had offered to transfer to the Smithsonian Institution at Washington patents which he held covering the processes known as the electrical precipitation of suspended particles. These patents were extremely valuable. Dr. Cottrell's idea was that the money to be made out of them should be devoted to scientific research; he wanted his discovery to become the mother of new discovery.

The Smithsonian Institution felt that the scheme held such possibilities that its administration had better be in special hands. Therefore an organization was formed and chartered in New York under the title of the Research Corporation. Not only did the charter forbid the payment of dividends on the stock, it prescribed that the entire net profits of the corporation should be used to advance and extend technical and scientific investigation.

What were the Cottrell patents?

In many manufacturing enterprises there is a great waste in the gases engendered. Minute fragments of copper, silver, gold, lead, zinc and other valuable metals are lost in the fumes from smelting and refining furnaces. In other cases the waste gases contain sulphuric, nitric and hydrochloric acids, arsenic, bleaching powder or some other substance worth money.

By electrical discharge these tiny particles of gold and silver or other dust can be collected as a magnet pulls iron filings out of the air. In the same way the electrical discharges can be made to precipitate the acids in escaping gas. Much money may be saved in this way, and an increasing number of industrial plants have been glad to adapt the Cottrell patents to their purposes, paying a royalty for their use.

So rapidly has the field for the patents been extended says the New York *Sun*, that in two years the earnings of the Research Corporation were sufficient to provide its chartered capital of $20,000 and an endowment fund of over $100,000 besides. On Feb. 16, 1917, the assets of the corporation in cash and securities were over $217,000. The corporation has therefore a hope, not an unreasonable one it would seem, of becoming the fairy godmother in industrial art in this country, and of doing for the factory what the Carnegie, Rockefeller and Sage Foundations are doing for science generally, for medicine, for schools and colleges and for improved social conditions.

It expects to act as an intermediary between the inventor and the manufacturer, saving the manufacturer loss of time and money in experimentation and protecting the inventor from dishonesty or inadequate reward.

Recently the corporation has offered a fellowship of the annual value of $2,500. This is to enable the successful contestant to pursue some special and promising line of research. Any discovery which he may make is to be his personal property. For the benefit of those who may desire to inquire into the conditions on which this fellowship is awarded we add the address of the corporation, 63 Wall street, New York.

The directors of this interesting experiment include such persons as T. Coleman du Pont, Otto H. Kahn, George F. Kuntz, George W. Perkins, John B. Pine and Charles A. Stone. The original shareholders were three men. Although they have never received a dividend, and never can, we suspect that the enterprise they have fathered will declare some pretty liberal dividends for the general weal.

U. S. STEEL'S WAR TAXES.

Deductions Estimated at $53,900,000 in June Statement.

Net earnings of the United States Steel Corporation for the quarter ended June 30 amounted to $90,579,204, but this was after making a deduction of $53,918,872 (estimated) for war income and excess profits taxes.

In this connection, however, there was an allowance in the first quarter for the excess profits tax, but at that time it was the proposition of the Government to establish a tax of 16% on corporation profits. It is probable that net earnings of the Steel Corporation, if a comparison were to be made with the first quarter's net, which amounted to $113,121,013, would have been in the neighborhood of $125,000,000 to $150,000,000 in the second quarter.

The Steel Corporation in Tuesday's report shows an additional charge (estimated) of $33,865,000 for war taxes in the first quarter. If earnings in the first quarter had been computed on the same basis as the second quarter they would have been $113,121,018 less $33,865,000, or $79,256,018, compared with $90,579,204 in the second quarter. On the basis of this calculation the gain in the second quarter over the first quarter was $11,323,186.

It would appear from the second quarter statement that for the first quarter the excess profit tax was under-estimated to the extent of about $33,865,000.

That the net earnings of the Steel Corporation showed no downward tendency in the second quarter is evident from the fact that in April they were $28,521,091, May $30,773,551, and June $31,284,562.

U. S. NATIONAL BANKS.

Number in Operation Increasing Despite Consolidations.

In making public the record for the fiscal year ending June 30th, of the increases and decreases in the number and capital of national banks in the United States, the Comptroller of Currency, says:

"Notwithstanding the large number of consolidations of national banks with other national banks, and making allowance for all liquidations for conversion into State banks, and failures (the latter being comparatively few) there were in operation in the United States on June 30, 1917, 7,635 national banks, a greater number than ever before, while in resources and deposits our national banks during the past year surpassed all previous records.

"For the twelve months ending June 30, 1917, 163 new national banks were chartered, with $9,470,000 of capital, against 117 new charters the previous year, with $7,505,000 capital.

"During the twelve months ending June 30, 1917, 150 national banks increased their capital in the sum of $25,507,490. The previous year the increases were 92 and the capital increase of existing banks was $9,607,700.

"In twelve months ending June 30, 1917, the total of new national banks chartered plus the number increasing their capital was 313, against 309 the previous year, an increase of 104. The total increase in capital arising from banks newly chartered and old banks increasing their capital was $34,077,490; the previous year $17,112,700—increase more than 100%.

"For the year ending June 30, 1917, 23 national banks, with $6,225,000 capital, liquidated and consolidated with other national banks. Similar liquidations previous year were 45, with capital $9,660,000.

"Liquidations for purposes other than consolidation with other national banks in 1917 were 87, with capital of $8,902,500. Previous year there were 87, with capital of $7,893,000. Receiverships in the year ending June 30, 1917, were 6, with capital of $1,180,000. In the previous year there were 15, with capital of $935,000."

ENGINEER TYE OPPOSES THE C. N. R. PURCHASE.

Continued from page 1.

there should be discrimination shown as between the two roads.

The Intercolonial I would leave as it is, but link up the other roads I have mentioned."

"And the C.P.R.?" was asked of Mr. Tye.

"There can be no improvement made in the way the C.P.R. is going along at present. It should be left alone, under private control and operation."

Value of Common Stock.

A well known financial man in Montreal in discussing with FINANCIAL POST the policy of the Government towards the Canadian Northern gave it as his opinion that under the new arrangement the proceeds to Mackenzie and Mann, for their common stock, nominally valued at $60,000,000, would run between $30,000,000 and $40,000,000. That is, that the Government would pay this over, after assuming all liabilities. This, he remarked, would give a big valuation to the railroad and bridge construction ends of Mackenzie and Mann interests, and enable them to reap handsome profits from these.

The book value of the Canadian Northern, as set out on the books of the company, is placed at $494,762,489, with 9,002 miles owned. Taking in the taxes, rents and items which relate to operation, the net operating revenue of the road is $10,232,088.

At the end of June of last year the company had outstanding securities bearing the guarantee of the Dominion or Provincial Governments of $211,641,140. The company had direct loans from the Dominion Government totalling $25,858,166.

According to an estimate submitted by the company to the Special Investigating Commission the fixed charges for the year ending June 30, 1917, were $16,539,638. Of this the Dominion and British Columbia Governments had undertaken to pay $4,514,507 under certain agreements. This left the company to find out of net revenue about $2,500,000 more than it had available this year. An estimate prepared in January last for the year ending June 30, 1917, placed the gross earnings at $42,590,000; operating expenses at $31,090,000, leaving a revenue of $11,500,000. In 1921 this revenue, it was estimated, would reach $20,540,000.

An estimate prepared for the commission gave the total cost of reproduction as new at $397,441,567, less depreciation of $40,031,889, making the cost of reproduction of the property $357,409,678. The cost of reproducing the equipment was given as $56,590,418, less depreciation of $11,250,433, making the present value $45,339,985. The two valuations give the cost of reproducing the physical system as $402,749,663. The outstanding liabilities of the company exceeded $400,000,000.

MEXICO TAKES GOLD.

Carranza Government Commandeers Wealth for Its Uses.

Gold coin, worth $20,000,000, held in the vaults of the two largest banking institutions in Mexico, has been commandeered by the Carranza Government for use in paying the Federal army and meeting other expenses.

This was learned from a New York banker who has just returned from Mexico City. He describes conditions as exceedingly chaotic, with indications that such apparent improvement as has taken place is merely of a superficial character.

The banks which lost their metallic reserves through the resource are the Banco De Londres Y Mexico and the Banco Nacional De Mexico in Mexico City.

GERMANY PREPARES.

Proposes to Withdraw Silver Florins from Circulation.

Germany is withdrawing silver florins from circulation and gold and precious stones in private possession are being requisitioned. The London Times believes that Germany is thus preparing for the worst.

No other construction can well be placed on the latest currency development in Germany than that preparations are being made for the fall of the mark to even lower depths. The withdrawal of the two-mark coins from circulation has only one meaning. The German Government obviously intends to market them abroad as silver owing to the high price to which the metal has risen, whereas the exchange value in English currency of the paper two-mark abroad to-day is 13.96 pence.

The order by the Master-in-Ordinary for the sale of assets of the Interurban Electric Co. to the Ontario Hydro-Electric Commission for $100,000 has been held up till after vacation by an order of Mr. Justice Sutherland.

Before Jan. 1, the United States will have 1,000 ships armed, manned and equipped for every emergency, making the American Navy second only to the British fleet.

UNITED PUBLISHERS OF CANADA, LIMITED.

PUBLIC Notice is hereby given that under the First Part of Chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 16th day of July, 1917, incorporating Donald Lorne McDonald, Accountant, John Campbell, solicitor, Jacob Henry Greenberg, student-at-law, Oral Nathan Birchard, filing clerk, and Eldon Moir, druggist, all of the City of Toronto, in the Province of Ontario, for the fololwing purposes, viz.:—(a) To carry on the business of publishers, booksellers, stationers, printers and lithographers and to acquire, possess and dispose of copyrights; to acquire, control, purchase and operate newspaper; to carry on the business of importers of, dealers in and manufacturers of paper, paper materials and paper substitutes of all kinds; (b) To purchase, acquire for cash or capital stock of the company, the capital stock, stock in trade, assets and good-will, and to control manage, operate and dispose of as a going concern the business now being carried on by Manufacturers Press, Limited, a corporation incorporated under The Dominion Companies Act; (c) To purchase, acquire and dispose of shares in any other company or companies having objects similar to this company; (d) Out of the funds of the company to pay all expenses incidental to the incorporation and organization of the company. The operations of the company to be caried on throughout the Dominion of Canada and elsewhere by the name of "United Publishers of Canada, Limited," with a capital stock of two hundred thousand dollars, divided into 20,000 shares of ten dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 16th day of July, 1917.

THOMAS MULVEY,
Under-Secretary of State.

HALL BROTHERS, LIMITED.

PUBLIC Notice is hereby given that under the First Part of Chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have the following purposes, viz.:—(a) To manubeen issued under the Seal of the Secretary of State of Canada, bearing date the 28th day of June, 1917, incorporating Samuel Edward Hall and James Mason Hall, lumbermen, and Debora Mary Hall, married woman, all of the City of Toronto, in the Province of Ontario; Thomas Gordon Hall, of the City of Vancouver, in the Province of British Columbia, lumber manufacturer, and Alexander Aeneas McDonald,, of the Village of Marmora, in the said Province of Ontario, barrister-at-law, for the following purposes, viz.:—To purchase, cut, sell and manufacture timber and lumber in the Dominion of Canada, England and the United States of America and elsewhere. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Hall Brothers, Limited," with a capital stock of twenty thousand dollars, divided into 2,000 shares of ten dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 29th day of June, 1917.

THOMAS MULVEY,
Under-Secretary of State.

Are You Interested

in knowing how a Trust Company's charges for administering an estate are fixed? We have a booklet entitled

"What Does a Trust Company Charge for Administering an Estate?"

We shall be glad to send a copy on request.

National Trust Company Limited

Capital Paid-up, $1,500,000 — Reserve, $1,500,000

18-22 King Street East, Toronto.

TENDERS WANTED

The Executors of the estate of James Dodds Traynor, late of Regina, in the Province of Saskatchewan, Deceased, invite offers for the purchase of all or any of the following shares belonging to the estate, namely:—

108 shares, par value, one dollar each, in Alberta Petroleum Consolidated, Limited;

180 shares, par value, one hundred dollars each, in Saskatchewan Land & Cattle Company, Limited;

62,330 shares, par value, twenty-five cents each, in Lincoln Gold Mining Company;

823 shares, par value, fifty dollars each, in Prairie Coal Company, Limited.

All shares are fully paid up. Offers will be received up to August 15th, 1917. Terms Cash. Highest or any offer not necessarily accepted.

Address offers to Executors of J. D. Traynor, in care of the undersigned, from whom also further information may be obtained.

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Established 1837. Incorporated 1880.

CAPITAL:—

AUTHORIZED and ISSUED		£6,000,000
Paid-up Capital..	£2,000,000	
Reserve Fund....	£1,960,000 Together	£3,960,000
Reserve Liability of Proprietors		£4,000,000
Total Capital and Reserve		£7,960,000

Head Office: 71, CORNHILL, LONDON, E.C

DIRECTORS.

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Manager—ARTHUR C. WILLIS.

Assistant Manager—WILLIAM J. ESSAME.

The Bank has 41 Branches in VICTORIA, 39 in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, 22 in WESTERN AUSTRALIA, 3 in TASMANIA, and 44 in NEW ZEALAND. Drafts upon these Branches are issued by the Head Office, and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

CANADIAN STOCKS

Quotations of listed Securities on the Montreal and Toronto Stock Exchange, with prices at closing on Aug. 2, in stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active. (Reserve Funds, Profit and Loss, include all Reserves except "Depreciation.")

BANKS

Capital Stock Outstanding	Reserve Fund	Profit and Loss	Net Earnings %	Dividends 1912	1913	1914	1915	Last Dividend Date 1917	Rate	Yield to July 26	BANKS	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	Range 1917 to July 26 High	Date	Low	Date	Close Aug. 3 1916 Ask	Bid	Close Aug. 2 Ask	Bid	Week ending Aug. 3 High	Low	Last	Sales
4,866,666	3,017,333	198,175	7 97	8+1	8	8	8	8th Apr.	s. 3	5.35	British North America	150	145	145	145	112	110	112	Jan. 29										
15,000,000	13,500,000	461,892	15 70	10+1	10+2	10+2	10+2	1st June	q. 2½	5.40	Commerce	218	199½	205	203	203	183	188	Feb. 27	183	Apr. 5	187		186	185	185½	185	185	65
6,000,000	7,000,000	344,439	14 05	12+2	12+2	12+2	12	2nd July	q. 3	5.85	Dominion	233	218	229½	227	220	204	212⅛	Jan. 9	203	June 28		205						
3,000,000	3,300,000	175,821	14 14	11	12	12	12	1st June	q. 3	6.31	Hamilton	207	198	208	201	197	246¾	192	Mar. 17	189	May 23	197							
4,000,000	3,700,000	40,622	13 25	9	9	9	5	1st June	q. 2¼	6.29	Hochelaga	155	149	150	149	149	145	145	Jan. 9	143½	Mar. 26								
7,000,000	7,000,000	1,089,656	14 73	12	12	12	12	1st Aug.	q. 3	6.28	Imperial	218	210	214	210	203	180	200½	Jan. 11	190	June 14	200	199						
1,946,373	300,000	42,791	8 44	6¾	7	7	5	1st June	q. 1¼	4.42	Home Bank	116	110																
7,000,000	7,000,000	250,984	13 68	10	10	10	10	1st Aug.	q. 2½	5.95	Merchants	193	177	180	180	180	150	170	Jan. 3	167	July 25	178	175	170		168¼	168		19
4,000,000	4,800,000	61,300	13 09	11	11	11	11	15th July	q. 2¾	6.11	Molsons	205	194	202	200	195	182	186	May 19	179½	Jan 24	198		182		180	180	180	3
16,000,000	16,000,000	1,321,193	13 17	10+2	10+2	10+2	10+2	1st June	q. 2½	4.56	Montreal	250	227½	240	234	240½	219	234	Jan. 11	215	May 15	230	229			219	219	219	4
2,000,000	1,900,000	54,843	16 66	7	9	8	8	1st Aug.	q. 2	5.40	Nationale	133¾	131	132¾	132¾	134	184	148	July 16			132¾		150	148	149	149	149	1
6,500,000	12,000,000	396,115	18 07	14	14	14	14	3rd July	q. 3½	5.53	Nova Scotia	265	257	265	261	261	254	257½	Mar. 9	252	June 21	261	255						
4,000,000	4,750,000	246,304	13 28	11¾	12	12	12	1st June	q. 3	5,94	Ottawa	208	201	207	207	204	202	202	Mar. 8	200	Feb. 23	204		202		200	200	200	5
2,735,000	1,000,000	11,795	8 54	7	7	7	7	1st June	q. 1¾		Quebec	122	118	120	119	119	96					110							
11,560,000	12,560,000	676,472	15 57	12	12	12	12	1st June	q. 3	5.68	Royal	228	218	223	221¼	221¼	210	214	Feb. 13	210	July 20	213¼	212	212	210	212	211	211	14
3,000,000	4,000,000	651,646	18 78	163	13	13	13	1st Aug.	q. 3¼	6.31	Standard	223½	208½	220	215	221	211¼	215	Jan. 2	203	July 25		214		202¼	203	203	203	36
1,198,801	3,000,000	52,134	12 20		6	6	6	15th May	q. 1½	6.12	Sterling	98½	98																
5,000,000	6,000,000	439,378	13 02	11+1	11+1	11+1	11	1st June	q. 2¾	5.78	Toronto	215	203	211	207	215½	190	213	Jan. 30	189	Apr. 25	197	196			188	188	188	50
5,000,000	3,400,000	106,972	13 19	8	8	8+1	8+1	1st June	q. 2	5.71	Union	147½	137	140½	140	140	132	141	May 8	136	Mar. 29	134		142	141	142	140	140	113

TRANSPORTATION—RAILWAYS, NAVIGATION AND STREET CARS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	19	1915	1916		Last Dividend Date	Rate	Yield	Company	1914 High	Low	1915 High	Low	1916 High	Low	1917 High	Date	Low	Date	Close 1916 Ask	Bid	Close Aug. 2 Ask	Bid	Week High	Low	Last	Sales
207,450,000	10,000,300										Barcelona, T. L. and P.	35⅛	15½	17⅜	7⅜	17	19	17	Jan. 4	10½	June 18	15	14¾						
16,217,500	10,000,000		3,822,410	6	6	4	2	1st June	q. 1	9.09	Brazilian Traction L. and P.	92	53½	59¾	45	62⅝	43	47¾	Jan. 2	37	Apr. 20	58	57½	39¾	39⅛	39⅞	39	39⅞	1,510
				3	6	6	3	1st Apr.	q. 1½		Brazilian Traction, Pref.																		
12,000,000		9,766,740	108,080								Canada Steamships Lines, Com			20	6	45	16	45⅛	June 21	29¾	Feb. 3	25¼	25⅜	42	41⅛	42	41¼	41¾	212
	12,500,000				3½	6	3½	30th June	q 1¾	8.86	" " " Pref			76½	59	95½	89¾	93¾	Jan. 29	76¼	June 12	84	83¾	78⅞	78¼	79	78⅞	78⅞	367
260,000,000	80,681,921	234,684,062	208,492,641	7+3	7+3	10	7½	1st July	q. 2½	6.06	Canadian Pacific Railway	219⅝	171½	195½	139¾	182½	163¾	167½	July 9	149½	Feb. 8	176	174			161	160	160	8
								15th May	q. 1	526	Civic Investment					83¾	79	82¾	Jan. 26	73⅞	June 29	100½	99⅛						
12,500,000		33,485,135	7,767,986	6	6	6	3¼	1st June	q. 1¾	6.39	Detroit United	73¾	55	73	62	128½	69	128	Jan. 3	106½	July 9	119⅛	118⅛	111⅛	110⅛	110⅛	110	110⅛	455
3,500,000	1,500,000	3,260,000	339,186	4½	4	2	p	1st July '15	s. 1	8 66	Duluth Superior Traction Co., Com	67	55	60	55	49	37	51⅛	Mar. 7	42⅛	July 25	46½	45⅝						
1,400,000		600,000	921,736	8	8	8	6	2nd July	q. 2	5.00	Halifax Electric. pref.	*160	*160			160	160												
12,251,400	7,135,500	810,000	1,700,607	2¼	3	3	1½	15th May	q. ¾		Illinois Traction, Com.																		
				6	6	6	4½	2nd July	q. 1½	6.97	Illinois Traction, Preferred	95	95	93	91	91	87¾	89	Feb. 22	83	May 21	90⅛				84	84	84	2
25,000,000											Mexico North Western Railway																		
20,000,000		16,381,333		7				1st Nov. '13	q. 1¾		Mexico Tramways Co.																		
25,206,000	12,603,400	77,512,450	14,750,595	7	7	7	3½	15th Apr.	s. 3½	5.73	Minn., St. P. and S.S.M., com	134¾	116½	126¾	116½														
2,963,970		32,771,487	1,264,166	10	10	10	5	1st Aug.	q. 2½	6 94	Montreal Tramways	230	190	220	220			181	Jan. 5	175	Feb. 19								
9,000,000	3,481,600	12,022,000	1,704,720	5	5	5	2½	15th June	q. 1¼	6.84	Northern Ohio Traction			73	73								40						
3,000,000	1,000,000	4,017,667	49,922	4	3			1st July '14	p. 1	10.53	Porto Rico Railways Co., Com	71	45	51	45	49½	30	42	Jan. 27	35	Jan. 3	100	90						
				7	7	7	5¼	3rd July	q 1¾	8.75	" " " Pref	103½	101			30													
9,999,500		10,797,000	347,499					15th Jan. '12	q. 1 p	8.60	Quebec Railway L., Heat & P. Co.	16¾	10	20½	9⅛	45	14	35½	Jan. 2	16⅛	July 20	33½	32¼	22	21⅛	22¾	18½	21⅞	1,910
966,400			393,791	8	8	10+2		1st Jan.	a. 8		St. Law. & Chi. Steam Nav. Co.	116	*99	130	100														
12,000,000		3,482,067	5,841,738	8	8	8	6	3rd July	q 2	10.78	Toronto Railway	144¾	110	117½	111	111	72	90⅛	Mar. 12	73	July 1	91	90						
9,000,000	3,000,000	12,305,000	535,055	6	6	6	3	1st July	q. 1½	6 74	Tri-City, preferred			89	89														
22,000,000	3,000,000	20,263,000	6,919,635	6	6	6	4½	2nd July	q 1½	7.05	Twin City, common	108⅛	99¾	101	93	101	93⅜	95	Jan. 3	84	July 3	97½	96⅛	85⅛	85	85	85	85	13
9,000,000		12,021,196	2,026,288	12	12	12	10½	1st Jan.	q. 2	16.00	Winnipeg Electric	210⅛	188	186½	180	110	90	81	Jan. 12	40	July 23	96	93	50	40	40	40	40	39

TELEGRAPH, LIGHT AND POWER UTILITIES

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	19	1915	1916		Last Dividend Date	Rate	Yield	Company	1914 High	Low	1915 High	Low	1916 High	Low	1917 High	Date	Low	Date	Close 1916 Ask	Bid	Close Aug. 2 Ask	Bid	Week High	Low	Last	Sales
18,000,000		11,149,000	1,249,135	8	8	8	6	15th Apr.	q. 2	5.85	Bell Telephone	159¼	140¾	159	140	152	140	150	Feb. 5	136⅛	July 23	152	145		136	136½	136⅜	136⅜	10
4,882,000			3,234,018	10	10	10	5	2nd July	q. 2½	6.66	Consumers Gas	180	169	185	176	176	160	165½	May 10	150	July 9	169	168	150		150	150	150	10
1,850,000		2,999,813	271,975								Calgary Power	59	53																
41,380,400			1,355,899	5	5	5	3¼	2nd July	q. 1¼	7.40	Mackay, common	88	75	84¼	71	87	78	90	Feb. 17	81¼	July 26	81⅛	81	82	81	82	81¼	81¾	47
	50,000,000			4	4	4	2	2nd July	q. 1	6.20	" preferred	71	65½	70¼	65	69¼	64½	68	Jan. 16	64	June 13	68½	67½	65	64	65	63⅞	63⅞	120
13,585,000		21,073,833	318,522	4	p	p	p	15th Jan '14	q. 1		Mexican Light and Power Co., com	49⅞	32½	46	46	15	15						46						
	6,000,000			7	p	p	p	1st Nov. '13	s. 3½		" " " pref																		
18,778,266		10,152,000	5,742,273	9½	10	10	8	15th May	q. 2½	4.73	Montreal Power	230	211	241¾	211	249¾	218					233⅛							
3,483,520		1,275,000	765,296	10	8	6½	4¼	2nd July	q. 1¼	7.50	Ottawa, Light, Heat and Power Co.	172	124	123	120	95⅛	92	92	Jan. 17	80	May 26	95							
13,612,500		10,012,762	2,567,928	6	6	6	7¼	10th July	q. 1¾	5.83	Shawinigan Water and Power Co.	142¾	111	139½	110	137	126¾	130½	Jan. 2	119	July 19	132	130⅛	119¼	118¾	119⅛	119	119	228

INDUSTRIALS AND MISCELLANEOUS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	19	1915	1916		Last Dividend Date	Rate	Yield	Company	1914 High	Low	1915 High	Low	1916 High	Low	1917 High	Date	Low	Date	Close 1916 Ask	Bid	Close Aug. 2 Ask	Bid	Week High	Low	Last	Sales
3,5[illegible],000		960,000	203,236								Ames Holden McCready Co., com	16	6	23	7⅞	35	19½	23¾	Jan. 3	16	Feb. 22	22	21						
	2,500,000			7	5¼			1st July '14	q. 1¾	14.00	" " " pref	70¼	54	75	55	80½	52	61	Jan. 9	48	Mar. 1	60	58½						
				7	7	7	3½	21st May	s. 3½	8.75	British Col. Packers, com							44	July 24										
1,[illegible]88,900			1,591,599	7	7	7	2	21st May	s. 2	6.19	" " pref	143½	111	124	105	147½	58												
	357,500			6	5⅛	4	2	2nd July	q. 1	5.06	F. N. Burt Company, com	88	67	72½	70	88	72	85	Feb. 23	78	Jan. 31	82	80	76	73	75	75	75	25
750,000			336,266	7	7	7	3½	2nd July	q. 1¾	7.89	" " pref	100	89	75	89	96	86	93½	Mar. 5	88¼	July 10	95	93	90	88	88½	88⅛	88⅛	11
	1,975,200										Canada Bread, com	33	18½	31⅛	29	30	16½	17	Feb. 6	15	May 19	21	20½						
2,500,000	1,250,000	1,209,300	234,164	7	7	7	5¼	2nd July	q. 1¾	8.23	" " pref	92	89½	90¼	90	90	87	86⅛	Jan. 5	85	Mar. 5								
1,177,500	602,450	301,750	151,553								Carriage Factories, com																		
13,500,000		7,448,680	2,675,233					16th May	q. 1¾	11.51	Canada Cement, com	32	28	48½	28	73	37¾	69⅞	Jan. 4	56	Feb. 1	57⅛	56¾	61¼	60¾	61	60⅜	60¾	134
	10,500,000			7	7	7	3½	16th May	q. 3	13.04	" " pref	93	98½	98½	89¾	98	86	95¾	Jan. 6	90	Feb. 3	92	91		90½	92	90	90	12
3,975,000		9,072,698	1,573,798	4	2			2nd June '14	s. 2d	13 33	Canadian Car and Foundry, com	70	48	120	50	75	32	46½	Jan. 4	25¾	Jan. 19	48½	47	32½	31⅛	32	31	31	410
	7,000,000			7	5¼			1st Apr. '16	q. 1¾	10.00	" " " pref	109½	98	127	98	94	61¾	89	Jan. 3	59	Jan. 19	82	75	70	69	69⅞	69¾	69¾	105
1,733,500		399,000	202,290	4	4	1	1	15th May	q. ½	5.00	Canadian Converters	40	34	34	34	46	34	43	July 11	39	Feb. 21								
2,715,500		4,811,000	1,437,926	6	6	6		4th July	q. 1	7.84	Canadian Cottons, Limited com	39	24	40	24	65	39	56	Jan. 3	51	Feb. 5	49				52	52	52	5
	3,661,500						14½	4th July	q. 1½	7.59	Canadian Cottons, Limited, pref	79	70⅛	77	71	82½	75⅛	82	Jan. 1	76½	Apr 2	79¾				78	78	78	26
1,600,000	1,500,000		697,836	6	6	6	3	15th Dec.	s. 3		Canadian Fairbanks-Morse, pref.	92	92	95	95														
960,000		151,900	895,316			10	12	15th May	q. 3	8.00	Canadian Foundries & Forgings, co					217	170	205	Jan. 4	150	Mar. 28								
	960,000			7		7+3½	7	15th May	q. 1¾		" pref					90	85	94	May 28										
2,000,000	1,500,000	1,545,000	142,807								Canadian Locomotive Co., com	45	30	64½	30	64½	51	64	Apr. 12	52½	Feb. 3	61							
				7	7	7	5¼	1st July	q. 1¾	7.95	" " pref	*90½	85	90	78	99	81	91½	Apr. 11	84	Feb. 8		87⅛	90	88	88	88	88	2
2,805,500		5,097,000	2,862,397	4	4			15th Oct. '14	q. 1	4.44	Can. Consolidated Rubber, com	91	91	91	91	91	84	97½	Jan. 30	90	Mar. 22	105	95						
	3,000,000			7	8¾	7	5¼	30th June	q. 1¾	7.25	" " pref	*97	96⅛	101	100	97	91	97	July 3	95	Mar. 22								
8,000,000		1,367,751	3,707,119	7	7	7	5¼	2nd July	q. 1¾	6.93	Canadian General Electric, com	114⅞	90¼	128	90¼	121	108	115½	Jan. 24	100¼	July 6	117	115⅛	102⅛	102	103	102	103	275
	2,000,000			7+1	7	7	3½	1st Apr.	s. 3½	6.66	" " pref			110½	*110	112	110	106	Feb. 1	94½	Jan. 31								
1,200,000		500,000	353,391								Carriage Factories, Limited, com			53⅛	35⅛	44	29¾	25	Jan. 13	9¼	June 18								
	1,200,000					½		15th July '15	q. 1¾	10.00	" pref			81	75	75	60					80							
565000		65,918	96,839	7	8	8	6	3rd July	q. 2	7.09	City Dairy, com	102	98	100	98	98	89	30	Mar. 30										
	700,000			7	7	7	5¼	3rd July	q. 1¾	.21	" pref.	101¾	98	102	98	100½	92	70	Apr 3			100	98						
6,500,000			749,100	8	7¼	5¾+3	4	15th May	q. 2	6.29	Dominion Bridge Co	122½	107	230	107	231½	160	170	Jan. 4	125	June 23	215	208	130	127¼	135	127	135	632
2,752,200		1,878,000	180,813	6	3	1p	p	1st Apr. '14	q. 1½		Dominion Canners, com	68⅝	27½	35	31	22	15	26	Mar. 6	19	Jan. 3	22	8						
	2,290,600			7	7	7	1¾p	1st Apr. '15	q. 1¾	9.33	" " pref	96	80			65	61⅛	78	Feb. 7	65	Feb. 3	63	58						
32,097,700	7,000,000	25,669,076	6,784,844	4	1	p	p	2nd July	q. 1	5.73	Dominion Steel Corporation, com	41⅞	19⅞	51	19⅞	82	43	71¼	Jan 4	52¾	Feb. 3	54	53⅛	60⅞	60⅝	60¾	59¾	60¾	2,067
	5,000,000	14,286,106		7	3½p	p	7	1st Apr.	q. 3½		Dominion Iron and Steel, pref.	*94	68	96	71	105	90	95	Jan. 3	89	May 28								
15,000,000	3,000,000	6,482,500		7	7	7	3½	1st Feb.	s. 3½	7.77	Dominion Coal, pref	106	97½	101	98	99	93	96⅛	Jan. 22	85	July 6								
5,000,000		3,697,775	881,926	6	6	6	4½	3rd July	q. 1½	7.14	Dominion Textile, com	86⅛	60	77	64	90⅛	74⅛	89	May 25	76½	Feb. 3	80½	79	84⅛	83	84	84	84	85
	25,975			7	7	7	5¼	16th July	q. 1¾	6.93	" " pref	106⅛	100	103	101	105	101	105	Apr. 26	99½	July 5								
1,750,500		1,200,000	331,136								Goodwins, Limited, com	28	*23	28	26	40	40						40						
	1,250,000			7	7	5¼d		25th July '14	q. 1¾		" " pref	*82	74			75	40	45	Mar. 20			75							
747,500		285,000	799,367	6	6	6	3	1st July	q. 1½	6.00	Goulds Manufacturing Co., com	97¾	97¼					100	Apr. 19										
	747,500			7	7	7	6	1st July	q. 1¾		" " " pref																		
40,000,000		8,643,000	25,072								Lake Superior Corporation	22⅝	6⅝	9⅞	9⅞														
2,100,000		900,000	935,994	10	8	8	4	1st June	q. 2	6.40	Lake of Woods Milling Co., com	135	127	137	129	136¼	122	130	Jan. 2	124	Apr. 13	129	129						
	1,500,000			7	7	7	3½	1st June	q. 1¾	6 03	" " " pref	120	120	122	120	129	116	116	Jan. 31			120							
9,600,000		753,807	701,624	8	8	8	6	3rd July	q. 2½	5.88	Laurentide	192¾	160	198	160	217½	176	195	Jan. 5	170	June 29	187	184	170		170	170	170	125
1,750,000		1,130,500	82,830		2						Lyall Construction Co., com					93	25	80	Mar. 21	64	Jan. 25								
	1,300,000										" " pref																		
3,000,000	1,766,800	200,000	247,710								A. Macdonald Co. com.	21¾	8	14	7	19⅛	10	15⅛	Mar. 12	8	Jan. 5	13	11	15	14	14⅛	14⅛	14½	50
2,500,000			1,034 +				6	18th July	q. 2½	8.82	Maple Leaf Milling, com	47⅞	25	68	30⅛	122	100	115	Mar. 21	90	Feb. 3	89¾	89⅛	105	103⅛	102	100	102	125
	2,500,000			7	7	7	5¼	18th July	q. 1¾	7.48	" " " pref	101	98	98	88	108	93	103	Feb. 10	92	May 15			94¼		94⅛	94	94	21
2,949,600		856,664	2,170,170	4	4	4	2	15th June	q. 1	7.54	Montreal Cottons, Ltd., com	58	56	56	51	63	50	58½	Jan. 4	49	June 11					54	54	54	100
	3,000,000			7	7	7	3½	15th June	q. 1¾	7 07	" " " pref	103	97¼	100⅛	99	115	99	103	Jan. 24	99	July 25	102⅛	102						
1,275,000			194,889	6				1st Nov. '13	q. 1½	15.00	Monarch Knitting Co., com	40	25	27	25	40	25⅛	40	Jan. 2	35	Jan. 3		32						
	750,000			7	7	7	3½	1st May	q. 1¾	8.75	" pref	90	82	82	82	83	80	81	Jan. 10	80	Jan. 2		82						
6,000,00		9,833,309	2,110,609	6	4½			15th July '14	q. 1½	6.06	Nova Scotia Steel, com	79	39	107	45¾	154½	93¼	128	Jan. 4	88	Apr. 25	123	120⅛	99½	97½	100	97½	98	1,085
	1,030,000			8	6	12	2	14th July	q. 2 p	7.61	" " " pref.	120	110	125	110	115	110	112	Jan. 4	105	June 25	113							
2,500,000		2,350,000	512,061	8	8	8	6	2nd July	q. 2	5.40	Ogilvie Flour, com.	123	107	144	107	152	127⅞	150	July 24	137	Feb. 27		131						
	2,000,000			7	7	7	3½	1st June	q. 1¾	6.25	" " pref.	117	105	120	113	116	44⅛	115	Jan. 19	110½	May 23	113	120			111	110½	110½	4
750,000		600,000	78,039								Ont. Steel Products, com					45	19	34	Jan. 4	18	Mar. 16	133	128						
	750,000					3	7	15th May	q. 1¾	9.09	" " " pref					91⅛	73	74	Apr. 14										
650,000			42,472	2	2	2	2	2nd July	s. 1	5.13	Pacific-Burt Co., com	32	*28	31	28	29	20	40	Mar. 20	28	Jan. 9	22	20						
	650,000			7	7	7	2½	2nd July	q. 1¾	8.75	" " pref	85	82½	85	80	83¼	77¼	82	June 8	80	Jan. 3	80							
2,150,600		2,000,000	1,719,899	4	4	4	2	15th May	q. 1	5.71	Penmans, Limited, com	55½	48	62	49	78	60	73½	Mar. 26	69	May 3	62½	61½			70⅛	70⅛	70⅛	10
	1,075,000			6	6	6	3	1st Aug.	q. 1½	7.22	" " pref	84¼	79⅛	83	82	90	82	86	Apr. 10	81½	Jan. 30		81						
5,000,000		5,804,862	2,100,240								Price Bros	60	70			132	60⅛	134	July 25	115	Mar. 30		76						
4,500,000	1,000,000	1,533,000	375,634	7	7	7	3½	30th June	q. 1¾	5.83	Riordan Pulp and Paper, com					150	59	127	Jan. 3	106	Feb. 3			119	115	121	119	120	135
1,500,000			688,499	12	12	8	6	2nd July	q. 1½	9.23	William A. Rogers, Ltd., com	147	96	103	96	99	85	80	Feb. 15	65	Apr. 19	91			40				
	900,000			7	7	7	7	2nd July	q. 1¾	7.77	" " " pref.	106	99	99	99	99	87	92	Jan. 4	90	Feb. 14	94	90						
800,000			Def. 703,364	1½				1st Feb. '13	q. 1¾	10.00	Russell Motor Car, com	20	5	50	10	114	32	92	Jan. 4	70	Feb. 3	60	57	85	80	80	75	80	185
	1,200,000			5¼				1st Aug. '13	q. 1¾	6.42	" " " pref	49	25	76	25	139	66	122	Apr. 3	100	Jan. 15		90		111	112	109½	112	123
1,500,000		691,200	39,245								Sawyer-Massey Co., com	30	25	33	25	30	20	24	Mar. 16	8	May 21	20	18						
	1,500,000			7	3½			2nd June '14	q. 1¾	7.78	" " pref	88	69	76	69	134½	58					74							
4,000,000		1,950,000	1,080,988								Sherwin-Williams, com	60¼	53	57½	55	99⅛	53⅛	59¾	Mar. 9	56	Feb. 5	55		58	56	58	58	58	81
	3,000,000			7	7	7	3½	30th June	q. 1¾	7.07	" pref	104	97	100	98¼	100	97⅛	100	Jan. 6	98	Jan. 11								
8,750,000			450,597	6	6	6	4½	2nd July	q. 1½	4.58	Shredded Wheat, com.	90¼	78	102	92	140⅛	102¼	137¾	Mar. 1	130	June 1		128						
	1,250,000			6	6	6	4½	1st July	q. 1½	6 25	" " pref	*94	*92½	99	93	120	95	95	Feb. 19	95	Feb. 19		98						
1,718,600			417,716	5	2½p			2nd July	q. 1¼	10.00	Smart-Woods, Ltd., com	20	18	15	20	65	33	55	Jan. 12	15	July 10	41							
	1,547,000			7	5¼p		5¼	2nd July	q. 1¾	8.75	" " pref			45	20	101	84	80	May 9			90							
8,000,000		5,332,113	226,860								Spanish River Pulp Mills, com	16¾	9	9⅝	3	24¼	3½	19	Jan. 4	13	Feb. 2	10½	9⅛	14	12⅛	13	12⅞	13	15
	5,699,100			3½P				15th July '13	q. 1¾	14.00	" " " pref	*51	31	35	35	70	29	59¼	Jan. 11	50	May 5	35	33						
11,500,000		10,050,000	4,272,453					1st Aug.	q. 1x½		Steel Co. of Canada, com	20	11	48	8⅛	88¼	34¼	71⅛	Jan. 4	52	Feb. 3	54	53	57	56⅛	56⅛	54	56⅛	1,655
	6,496,300			7	3½p	7	5¼	1st Aug.	q. 1¾	7.69	" " " pref	87⅜	69	95	69	107¼	82½	100⅛	Jan. 2	89¾	July 12	88¾	87						
650,000											Tooke Bros., com	26	15	18	16	25	16					22							
	985,000		71,518	7	7	3½	1¾p	31st May	q. 1¾	9.72	" pref	81	75			83	78	79	Jan. 4	72	June 12								
750,000		500,000	120,673	1.88	6¾	1½p		2nd July	s. 2	5.	Toronto Paper Co	61	30	45	25	96	44	90	May 17	72	Jan. 16	50	44						
2,500,000			218,962								Tuckett Tobacco, com	47	29	29¼	29	25	23⅛	22½	Jan. 18	19	June 1								
	2,000,000			7	7	7	5¼	14th July	q 1¾	8.75	" " pref.	101	90¼	90	90	90	75	83⅛	Jan. 18	78	Apr. 30		86						
5,000,000		3,500,000	691,225								Wayagamack com	32⅜	21	26½	26			95	Jan. 11	67	May 29								

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and loss; +—in dicates bonus; b—means bond; p—preferred stock; d—debentures; *—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 25th, 1912; Feb. 1st and Nov. 17th, 1913, and December 1, 1914.

LOAN, INSURANCE AND FINANCIAL STOCKS AND MISCELLANEOUS

Common Stock outstanding	Bonds, Preferred Stock or Debentures Outstanding and Int.	Reserve and Contingent P. & L.	Dividends 1916	Last Dividend Date	Per cent.	LOAN AND TRUST	Range for Year 1915 High	Low	Range for year 1916 High	Low	Latest Price Ask	Bid	Last Sale
1,205,000	4,122,853	1,244,392	9	1st Jan.	q. 2¼	Canada Landed	162	157½	163	157½		159	159⅛
6,000,000	20,905,085	5,195,652	10	15th Mar.	q. 2½	Canada Permanent	188	183	183	168⅝		167⅛	167½
1,750,000	6,225,008	1,773,242	10	15th Mar.	q. 2½	Central Canada	190	190			190		
2,462,967	725,667	403,966	6	31st Dec.	s. 3	Col. Investment, pref.	83	78	76	70		75	77
934,395	1,062,481	240,929	5	2nd July '15	s. 2½	Dominion Savings	81	81	80	80		81	73
2,410,925	2,458,069	685,002	8	2nd July '15	s. 4½	Great West Per							89½
1,200,000	2,598,876	1,414,033	8	31st Dec.	s. 4	Hamilton Provident	140⅛	136	140	138		141	141
2,458,414	11,516,497	2,510,662	12	31st Dec.	q. 3	Huron and Erie	211	209	214	209		209	208½
978,500	1,914,623	728,163	8	31st Dec.	s. 4	Landed Banking	147	147	145	144		145	147
1,250,000	3,112,314	748,734	8	15th Mar.	q. 2	London and Can. Loan	136	131	135	132		134	130
882,889	1,761,804	341,690	1½+8	15th Mar.	q. 1½	London Loan and Sav							
600,000	275,170	705,277	10	15th Mar.	q. 2½	Montreal L. & Mtg. Co.	176	165	175	160			165
1,500,000	6,986,333	1,573,560	10	31st Mar.	q. 2½	National Trust	233	233	210	210	223		210
1,750,000	4,457,590	1,800,012	9	31st Dec.	q. 2¼	Ont. Loan and Deb.	173	179	175	169		175	160
500,000	655,690	226,408	7	31st Dec.	s. 3½	Real Estate Loan							103
1,500,000	32,104,188	1,848,813	10	31st Dec.	q 2½	Toronto Gen. Trusts	210	291½	212	205½		207	207
724,550	88719 25	527,834	8	31st Dec.	q. 2	Toronto Mortgage Co	138	128	140	134		140	140
[illegible],000,000	1,344,920	937,661	5	1st Mar.	q. 2½	Toronto Savings							185
[illegible],000,000	7,00,1000	991,336	10	30th Dec.	q. 2½	Union Trust							178
[illegible],000,000		5,946.27	4	1st Apr.	s. 4	Canada Life Assurance							199

Common Stock Outstanding	Bonds, Preferred Stock or D'b'ntures Outstanding	Reserve and Contingent P. & L.	Dividends 1916	Last Dividend Date	Per cent.	MISCELLANEOUS COMPANIES	Range for year 1915 High	Low	Range for Year 1916 High	Low	Latest Price Ask	Bid
1,500,000		1,894,479	5	1st Oct	s. 5	Canadian N. Prairie Lands						
800,000	300,000	395,959		1st Oct. '15	q. 2	Canadian Salt	115	110	140	124	135	120
59,133		1,752,420	5	13th Mar.	5	Can North-West Land						
		2,390,163	20	30th Dec.	q. 5	Confederation Life A.			350	330	335	320
6,212,667		531,499	6	1st June	1½	Crows Nest Pass Coal	100	100	83	71	80	
1,000,000		291,961	6	15th Jan.	q. 1½	Dominion Telegraph			90	86		90
3,000,000	3,984,500	77,642				Electrical Dev., pref						
450,000	p2,909,000	1,458,082	10	1st Jan.	q. 2½	Imperial Life Assur						
500,000	b 232,000		p	1st Mar. '12	s. 2	Intercolonial Coal						
	p 219,700	797,531	p	1st Mar. '12	s. 3½	Intercolonial Coal, pref						
3,000,000		513,930		1st Mar. '14	1	Intern. Coal and Coke						
2,196,000	2,000,000	421,140	6	15th Jan.	q. 1½	Kaministiquia Power						
556,000	b 666,000	109,976	3	3rd Jan.	s. 3	London Street						
2,000,000		118,225	8	3rd Jan.	q. 2	Montreal Telegraph			136	135		135
925,000	b1,123,000	248,379				Nia., St. Kath. and Tor.						
1,000,000	b1,250,000	176,188				Saint John Ry.						
1,164,000	b 756,500	199,996		10th July '15	q. 1¼	Trinidad Electric	105	100				
2,124,700	1,598,057	575,484	8	15th Dec.	q. 2	W. Can. Flour Mills	80	80	118½	102		
800,000	b 600,000	541,374	5	1st Jan.	q. 1¼	West India Electric						

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and loss; +—indicates bonus; b—means bond; p—preferred stock; d—debentures; *—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 25th, 1912; Feb. 1st and Nov. 17th, 1913, and December 1, 1914.

DEVELOP CANADA'S TRADE WITH THE WEST INDIES

Canadian Who Returns from Trinidad Refers to Possibilities of Business in the Islands.

That there are splendid opportunities for development of trade between Canada and the British West Indies, particularly in the export of numerous lines of manufactured goods from the Dominion to those islands, is the opinion of T. Geddes Grant, a Canadian by birth, but now a prominent business man of Trinidad, B.W.I. Mr. Grant's views are an interesting and practical contribution to the discussion which has already taken place regarding the political and commercial relations of Canada and the Islands.

"Owing to the proximity of Canada and the British West Indies," said Mr. Grant to the "Halifax Chronicle," "and because of the fact that one is the exact opposite of the other in the nature of its products, there should be a very extensive trade between the two. The population of the British West Indies is two millions, and their annual imports amount to over sixty-five million dollars, their exports being five millions less than that amount. The two countries being under one flag and one supplying what the other needs and cannot produce itself, there is no probability of their business relations being interfered with by a hostile tariff. In fact, it is just the reverse, and we look forward to the time when the preferential tariff between Canada and the British West Indies will be considerably more generous than it is now.

"Though the means of communication are not all that we might desire, nevertheless we have a regular fortnightly service between Canada and the British West Indies, a service which is not afforded many other parts of the Empire under present war conditions. Having then these shipping facilities, we have the means for Canadian manufacturers securing more of our trade. Because of the impossibility of obtaining manufactured goods in any large quantity from the usual source of supply—the Old Country—our merchants are looking to the United States and Canada, but when they or their buyers visit New York, it is very seldom that they get any further. The New York commission men see to that.

Enjoying Great Prosperity.

"The islands just now are enjoying an unusual measure of prosperity owing to the high prices obtained for their chief product, sugar, and, therefore, though everything is of higher price than formerly, the West Indian is in a position to meet these higher prices."

Growth in Our Flour Exports

Returning to discuss the possibilities of development of trade between Canada and the West Indies, Mr. Grant said that four or five years ago the islands took all of their flour from the United States, but that now four-fifths of it is imported from Canada. "In 1912," said he, "we took about 7 per cent. of our manufactured goods from Canada, and now we take 15 per cent., an increase of over 100 per cent. in five years. Last year the general imports from Canada showed an increase of £94,000, whereas the imports from the United States showed an increase of only £54,000, and imports from Great Britain declined to the extent of £30,000."

Mr. Grant is firmly convinced that Canada could secure a considerably larger percentage of the business in manufactured goods. "Before my day," said he, "Nova Scotia by sailing vessels carried on a large business with the West Indies in lumber, shingles, fish, etc. In fact, the business in which my firm is now engaged comes naturally, because my great grandfather owned and sailed vessels and my grandmother has often told me about him. In her girlhood days she made butter and cheese and sent this by the captains of her father's vessels to the West Indies for sale, the proceeds being her pin money. It is a business that is born and bred in the bone."

SHIPBUILDING IN U. S.

New President of Shipping Board Gets Active.

The settlement of the shipbuilding controversy in the United States by the resignation of Goethals and Denman has been followed by progressive action. Edward N. Hurley, shortly after his election to the presidency of the board said that active work had been begun and that things were in good shape. He continued:

"We find that our problem has three phases—labor, timber, and steel.

"The labor situation is in satisfactory shape. We are getting into the timber and steel situations. To-day we gave considerable attention to the distribution of ships; that is, the bringing of certain ones from the Pacific to the Atlantic and the best utilization of others for the transportation of cargoes needed abroad."

QUESTION OF CURTAILMENT OF LUXURIES

Careful Spending Better Than the Most Rigid Economy.

MAKING THE ADJUSTMENTS

Care Should Be Taken That No Industry is Unnecessarily Crippled Nor Production Curtailed—The Effect on Investments.

Since the outbreak of the war there has been a great deal of discussion as to the economic value, or otherwise, of the curtailment of luxuries. On the one hand there has been the extreme argument that the solution of national prosperity is in the adoption of the policy of domestic retrenchment by the average citizen and the investment of savings in national loans. On the other hand, there has been the contention, supported by the slogan of "Business as Usual," that the people should continue to spend money as freely as usual and thus speed up the wheels of production. The progress of the war, which has permitted a close study of the economic development which has accompanied it, leads to the conclusion that between the two extremes there is a middle ground of practical economy, which means conservation of those articles and products which may be classified as war essentials, and normal consumption on the part of people of wealth of the luxuries to which they have been accustomed, the creation of which has been responsible for those classes of domestic labor which cannot be fully justified to activity in the manufacture or production of war supplies. In other words, saving where the saving represents conservation of needed material and spending, where spending means a continuance of prosperity without interfering with energies which might be devoted to the national good.

Practical economists are pointing out that during such war times as are now being experienced it is essential that the Government should exercise a measure of control over some economic questions, notably the production of war, and, to a limited extent, over transit, food, amusements and the consumption of articles of daily need. Consumption which has hitherto taken a secondary place in economic thought and action comes into play as an important factor with the realization of the pressure of a protracted war. Under the circumstances, it is being regarded as fortunate that we are rapidly attaining to a social condition in which the interests of all in respect of the essentials of life are identical. Luxurious foods and elegant clothing are desirable things when the freedom of the people of the world is not at stake, but it should be realized that these pleasures and many others should be laid on one side until the enemy is beaten.

Coming to the question of individual consumption, we find the opinion of such men as D. R. Stiles, who writes in The Financial Review of Reviews, that, as the standard of living has an important bearing on the results of the war, an incorrect standard, the wrong kind of work or the investment of money in undesirable channels, may cause us to lose the war just as much as would naval or military inefficiency, for this conflict is one in which the fighting, although of a different and less strenuous character and less risky to life, is in the workshops, the office and the home, as well as in the field, on the sea and in the air.

Consumption has, in the light of the events of the past three years, not received that amount of attention by economists which is now proved to be necessary. This, at first, may seem strange, as the science of production has always been rightly deemed of primary importance, having been dominated by considerations of increased production with its natural corollary increased wealth. The time has yet to come when material prosperity will be a secondary consideration in establishing the relative position of nations, for this war has proved that military efficiency depends more and more upon finance. What criticism has been levelled against unwarranted expenditure and waste by the wealthy classes, by the professional classes, and by manual workers has undoubtedly been justified, as it has been directed against those extravagances which retard the increment of the national wealth (so greatly in demand at the present juncture), and against those luxuries which decrease man's mentality and his capability for wor. We can safely leave the question of production to the important restrictions imposed by the Government on imports, but as yet practically no restrictions are placed on private consumption, at any rate, compulsory restrictions, it being left to the good sense of the individual, to decide for himself as to how far the curtailment of any luxury which he has hitherto enjoyed will be assisting the nation.

This means that simply because an article of food is high in price, it does not necessarily follow that it should not be bought. If the purchaser has the means, there is no reason why he should not buy the so-called luxuries, if, by such action, he increases the amount of other and less costly food available for the worker of limited means. And, as prices are largely regulated by supply and demand, the action further tends to reduce the prices of staples. The same argument can be pursued with regard to clothes and many other articles of daily use. The purchase of certain products or certain materials, by those who have the money, leaves other product or materials available for those of limited means.

The Effect on Investments.

So far as possible it should be the aim of the Government not to ruin or cripple any one particular industry. Industrial success is necessary for the production of that wealth which is proving such a big factor in waging the campaign of Great Britain and her Allies. At the same time, our legislators, realizing that, under the conditions existing, certain economic changes must be made, should take steps which will bring about the necessary readjustments. These readjustments will have their effect upon many industries and in turn upon the investment securities which those industries represent. We give the following views of Mr. Stiles regarding the investment phase of the situation:

We have in pre-war days over and over again witnessed constant changes in the demand for particular articles. Capriciousness or fashion, if I may so define it, has made and ruined numerous industries, millions have been lost by investors by changes in the habits of the people, by one invention superseding another, and so altering the demands, and by other changes too numerous to mention. Now the War has altered many things, and our industrial life in particular. Factories once entirely used for the manufacture of articles of use in peace time, are now solely given up to the manufacture of war material. It has taken months of work to make these factories suitable for the production of munitions; it may take months or it may take years, more likely the latter, to again equip them when peace comes. The period intervening between the cessation of making munitions and the resumption of peace-work will be one in which there is likely to be depreciation in the value of the capital of the undertakings concerned. This fact cannot be brought home to investors too forcibly, for in any event it may be years before the internal and export trade of this country can fully recover. At the present time it may be asserted that in all probability the shares of many munition undertakings are at their highest, and it would be well if investors would face the fact and dispose of such holdings while there is still time to take advantage of the war-time prosperity. It is not for a moment suggested that it is possible to decide with mathematical exactitude when any particular investment has reached its zenith. We should be able to form a judgment of any particular security uncolored by bias or sentiment and based on a thorough examination of all the pros and cons. If we should not feel capable of doing this ourselves we should seek skilled advice.

Some may think it patriotic to hold shares in munition companies, but there is no patriotism in holding shares likely to depreciate in value, be they the shares of a munition company or of any other undertaking. The only way to conserve the wealth of the nation and of the individual is to ensure its utilization to the best advantage. It cannot be used to advantage if it is likely to be lost, either in part or in whole. Further, we must use great discretion in placing any capital we have available for investment. The difficulties investors have to face in deciding how to invest their money are great, but it is even more difficult to know when to sell any particular security. Action taken at the proper time often prevents investors being saddled with depreciated holdings.

GERMANY AND MEXICO.

Teutons Looking to Develop Resources of Republic.

That Germany is going to turn her commercial attention towards Mexico at the end of the war is indicated by a despatch from Berlin, quoting Die Post.

"Mexican raw materials have a special interest for German merchants and industrialists," says Die Post. "The country is extremely rich and its prosperity could be increased one hundredfold if it were thickly populated. Mexico is the land of the future."

THE FORD YEAR.

Approximate Output Reported at About 740,000 Machines.

The Ford Motor Company finished its 1917 fiscal year this week, and the report when published will show an enormous production. The decline of orders which many other companies felt from April to June is said to have been felt hardly at all by the Ford organization. It is reported that in the year the company has built and sold approximately 740,000 automobiles, compared with 533,921 in the 1916 period.

MANGANESE DIOXIDE.

Rich Discoveries Made in South-East Alberta.

A Winnipeg dispatch this week says that inexhaustible deposits of manganese dioxide have been discovered in the Cypress Hills in South-east Alberta. Already 800,000 tons, worth approximately $54,000,000, have been blocked out. The product is being sold to the British War Office for $68 per ton. The material is extremely valuable as an iron toughener, and in great demand for munition purposes.

FOR INDUSTRIAL PEACE AFTER THE GREAT CONFLICT

England is Already Laying a Solid Basis to Bring it About.

CAPITAL AND LABOR

War-time Guarantees to Workers to be Faithfully Carried Out and Labor Justly Dealt With—Many Proposals Considered.

LONDON.—If the problems of peace are to be satisfactorily surmounted they must be brought into light well before the cessation of battle thrusts them into the foreground. That is a simple truth which all belligerent countries must recognize. Great injury may be inflicted on the body politic if precautions be not taken against the sweeping change of conditions with which the world will be confronted when the warring nations at last lay down their arms. Nor is it possible that there can be a reversion to the status quo ante bellum. Nations which will have come through the great ordeal must have changed their views in a hundred ways.

This will apply not less to domestic affairs than to international relationships. There must occur a far-reaching reconstruction affecting every branch of the national life. There will be little room for parochialism in any progressive country now at war; none for the old divisions which so frequently arrested progress and proved harmful to all grades of society, high and low. There will need to be a closing of the ranks and a determination to work for the general welfare.

Great Britain seems to have recognized the need of taking early steps to come to grips with the industrial questions which must inevitably arise when the country swings back from war to peace. Temptations will exist to revive old antagonisms unless it is clearly shown that there is a better way. The war has produced a great upheaval in trade and industry, and the restoration to peace conditions can only be satisfactorily effected by co-operation and good-will.

These facts are clearly recognized by a sub-committee of the Reconstruction Committee, which has just reported on the question of the relations the future of the community will depend, and both sides will find it worth while to go a long way to insure harmonious working and stable business conditions. The terms of reference to the sub-committee were:

1. To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.

2. To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future.

Employers and Employed

The committee in the first place addressed itself to the problem of establishing permanently improved relations between employers and employed in the main industries of the country in which there existed representative organizations on both sides. The problems connected with the industries which are less well organized are still under consideration, and a report upon them will be forthcoming in due course. The essence of the recommendations is an appeal to both sides to establish the principle of definite and permanent co-operation by means of the formation of joint standing industrial councils with a delegation of powers to various subsidiary bodies, so that the special conditions which may attach to any particular industry can be brought under review by those familiar with the circumstances and therefore most competent to deal with them.

It is not enough to secure co-operation at the centre between the national organizations. It is equally necessary to enlist the support of employers and employed in the districts and in individual establishments. The national industrial council should not be regarded as complete in itself; what is needed is a triple organization—in the workshops, the districts, and nationally. Moreover, it is essential that the organization at each of these three stages should proceed on a common principle and that the greatest measure of common action between them should be secured.

The Government is to be asked to propose, without delay, to the various associations of employers and employed the formation of these joint standing industrial councils in the several industries where they do not already exist, such councils to be composed of representatives of employers and employed, regard being paid to the various sections of the industry and the various classes of labor engaged. These will be regarded as national councils, whose functions should be supplemented by (a) district councils and (b) works committees, the whole to act in unison, meeting regularly, exchanging views, and making recommendations. The operations of the works committees, district councils, and national councils will no doubt require to be determined separately in accordance with the varying conditions of different industries. Care will need to be taken in each case to delimit accurately their respective functions in order to avoid overlapping and resulting in friction.

The aim of the reconstruction subcommittee has been to establish the machinery which will result in proposals having for their principal object improved conditions of employment, and a higher standard of comfort generally, and involving the active and continuous co-operation of employes in the promotion of industry.

Fulfilling Guarantees

One of the chief factors in the problem to be faced as it first presents itself consists of the guarantees given by the Government with Parliamentary sanction, and the various undertakings entered into by employers to restore the trade union rules and customs suspended during the war. While this does not mean that all the lessons learned during the war should be ignored, it does mean that the definite cooperation and acquiescence by both employers and employed must be a condition of any setting aside of these guarantees or undertakings, and that if new arrangements are to be reached, in themselves more satisfactory to all parties, but not in strict accordance with the guarantees, they must be the joint work of employers and employed.

It is of the greatest importance that the right of the workers to the re-establishment of pre-war trade union rules and regulations should be thus unequivocally recognized. The unions have parted with many cherished principles in the interest of the State, and it would be the height of imprudence to attempt to water down the promise of complete restoration which has been given. In that direction would lie the destruction of confidence, and the revival of old prejudices. Any modifications—and these are certain to take place—must be by mutual understanding. Questions connected with demobilization will call for early attention, for it will be no easy task to redistribute the millions of men who have been called away for different work, and more especially as the labors they have temporarily forsaken have been performed, and performed well, by women.

Among the questions with which it is suggested that the national councils should deal or allocate to the district councils or works committees, the following are selected for special mention:

1. The better utilization of the practical knowledge and experience of the workpeople.

2. Means for securing for the workpeople a greater share in and responsibility for the determination and observance of the conditions under which their work is carried on.

3. The settlement of the general principles governing the conditions of employment, including the methods of fixing, paying, and readjusting wages, having regard to the need for securing for the workpeople a share in the increased prosperity of the industry.

4. The establishment of regular methods of negotiation for issues arising between employers and workpeople with a view both to the prevention of differences and to their better adjustment when they appear.

5. Means of insuring to the workpeople the greatest possible security of earnings and employment without undue restriction upon change of occupation and employer.

6. Methods of fixing and adjusting earnings, piecework prices, etc., and of dealing with the many difficulties which arise with regard to the method and amount of payment, apart from the fixing of general standard rates which are already covered by paragraph 3.

7. Technical education and training.

8. Industrial rresearch and the full utilization of the results.

9. The provision of facilities for the full consideration and utilization of inventions and improvements designed by workpeople, and for the adequate safeguarding of the rights of the designers of such improvements.

10. Improvements of processes, machinery, and organization and appropriate questions relating to management and the examination of industrial experiments with special reference to co-operation in carrying new ideas into effect and full consideration of the workpeople's point of view in relation to them.

11. Proposed legislation affecting the industry.

It cannot be charged against the subcommittee that it has been econmical of suggestion, and although neither employers nor employed have yet been heard, there cannot be any fundamental objection to proposals which are clearly unbiased and presented with a genuine desire to serve the national interest through the various elements composing it. A solid framework is provided which must be filled in with the lessons which the war has taught. If the country is to reap a maximum of profit from them, there must be a mutual willingness to be rid of the distrust which has so frequently thrown employers and employed into opposite camps in the past.

REVIEW OF MARKET FOR MINING SHARES

Name.	Capital Authorized	Capital Issued	Week ending Aug. 2 High	Low	Sales	Close Aug. 2 Asked	Bid
COBALT STOCKS—							
Adanac	$ 2,500,000	$2,250,000	.15⅞	.15	24,300	.15¾	.15½
Bailey	5,000,000	4,250,000	.04	.04	5,000	.04	...
Beaver Cons.	2,000,000	2,000,000	.34	.32¾	9,200	.34	...
Buffalo Mines	1,000,000	1,000,000	...	...	.....	...	...
Cham.-Ferland	2,500,000	2,312,850	.14	.13¾	2,500	.14½	.13½
Coniagas	4,000,000	4,000,000	...	...	......	...	...
Crown Reserve	2,000,000	1,999,957	.29	.23	2,500	.25	...
Foster	1,000,000	915,588	...	...	....	...	...
Gifford	250,000	....	.03⅝	.03½	5,000	.04	.03½
Great Northern	1,500,000	1,500,000	.07½	.07⅜	1,000	.07½	.07
Hargraves	2,500,000	2,500,000	.12	.11¼	23,600	.11¾	.11½
Hudson Bay	25,000	7,761	...	...	......	...	...
Kerr Lake	3,000,000	3,000,000	...	...	......	...	...
La Rose	7,500,000	7,493,135	.48	.48	100	.48	.46
McKin.-Dar.-Sav.	2,000,000	2,247,692	.54	.51	1,800	.53	.51
Nipissing	6,000,000	6,000,000	7.70	7.65	940	7.80	7.55
Ophir	685,000	....	.10	.09	15,600	.10	.09¾
Peterson Lake	3,000,000	2,401,820	.11½	.10½	10,700	.11	.10¾
Right of Way	2,000,000	1,685,500	...	...	......	...	...
Seneca-Superior	500,000	478,884	.02½	.02½	1,000	...	.01½
Temiskaming	2,500,000	2,500,000	.32¾	.30½	18,065	.33	.32
Trethewey	2,000,000	1,000,000	...	...	......	...	...
Wettlaufer	1,500,000	1,416,590	...	...	......	...	...
PORCUPINE STOCKS—							
Apex	2,000,000	1,300,000	.06½	.05¼	23,300	.06	.05½
Dome Cong.	2,500,000	1,250,000	...	...	......	...	...
Dome Extension	3,000,000	2,200,000	.16¼	.15	5,200	.16	.15
Dome Lake	2,000,000	1,227,017	.18¾	.18½	6,500	.18½	.18
Dome Mines	5,000,000	4,000,000	10.25	9.75	1,331	10.00	9.50
Foley-O'Brien	3,000,000	2,500,000	...	...	......	...	...
Hollinger	3,000,000	3,000,000	4.50	4.17	1,610	4.70	4.25
Jupiter	2,000,000	1,867,786	...	...	......	..	...
McIntyre	3,000,000	2,999,995	1.56	1.50	14,053	1.52	1.50
McIntyre Extension	2,500,000	2,000,000	...	...	......	...	...
Porcupine Crown	2,000,000	2,000,000	.48	.41	22,162	.42½	.41½
Porcupine Imperial	2,000,000	1,409,200	.03	.03	100	.03	.02¾
Vipond	1,500,000	900,000	.32	.31	12,600	.33	.32
Preston E. Dome.	3,000,000	2,000,000	.04¾	.04½	3,500	.04¼	.04⅛
Schumacher	2,000,000	....	.43	.43	300	...	.42
Teck-Hughes	2,000,000	2,000,000	.49	.49	2,000	.58	.49
West Dome Con.	3,000,000	2,000,100	.20½	.19½	21,700	.19¾	.19¼
MISCELLANEOUS—							
Con. Min. & Smelt.	10,000,000	8,427,500	...	...	......	...	...

COAL FROM THE SEA.

Effort Will be Made to Salvage Sunk Danish Vessel.

So acute has the shortage of coal become in Denmark that at Nyborg, in the Great Belt, divers are at work endeavoring to recover a cargo of 1,200 tons of the fuel from the bottom of the sea, where it has lain for nearly thirty-five years, having sunk with the steamer Dorka, in 1883. Only the present high price of coal justifies the attempt to recover the coal, which is known to be quite fit for use.

The Minister of the Interior, M. Rode, recently delivered the following speech, in which he drew a sombre picture of the difficult position of Denmark: "When the war began no one anticipated its long duration. As regards economic measures the belligerent powers all contemplated a war of short duration. The measures of neutral powers aimed at coping with immediate dangers and attempting to preserve their economic life. Denmark succeeded fairly well until February, 1917. Then new difficulties arose and confronted us with the most difficult problem which the war has put to us—the lack of fuel.

"The whole of our productive life depends on the importation of coal from abroad. Normally we require 300,000 tons of coal a month, besides coke and other fuel. Eighty ships must regularly cross the North Sea to procure us the necessary supply, but these ships are no longer available, and their number is diminishing daily. In the months of February to May we required 1,200,000 tons. We have only received a little over 400,000 tons. We are thus nearly 800,000 tons short."

Dominion of Canada War Bonds, 1937, were listed on the Montreal Exchange on Wednesday. They prove the centre of activity of the market, and sold up half point to 95¼, with sales of $233,500 par value. The other two shared in the strength, 1925 gaining ¼-point and the 1931 ½-point. On Thursday prices were the same, with less activity.

DIVIDENDS DECLARED.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF TWO-AND-ONE-HALF PER CENT., upon the paid up Capital Stock of this Institution, has been declared for the current quarter, payable on and after Saturday, the FIRST DAY OF SEPTEMBER next, to Shareholders of record of 31st July, 1917.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR
General Manager
Montreal. 20th July, 1917.

The Royal Bank of Canada

DIVIDEND No. 120.

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. (being at the rate of Twelve per cent. per annum) upon the Paid-up Capital Stock of this Bank, has been declared for the current quarter, and will be payable at the Bank and its Branches on and after SATURDAY, the FIRST DAY OF SEPTEMBER next, to Shareholders of record of 15th August.

By order of the Board.
C. E. NEILL,
General Manager.
Montreal. P.Q., July 17, 1917.

The Canadian Bank of Commerce

DIVIDEND No. 122.

NOTICE is hereby given that a quarterly dividend of 2½ per cent. upon the capital stock of this Bank has been declared for the three months ending the 31st of August next, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st September, 1917, to shareholders of record at the close of business on the 16th day of August, 1917.

By order of the Board,
JOHN AIRD,
General Manager.
Toronto, 28th July, 1917.

Bank of Hamilton

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of Three per cent. (Twelve per cent. per annum) on the paid-up capital of the Bank, for the quarter ending 31st August, has this day been declared, and that the same will be payable at the Bank and its Branches on 1st September next.

The Transfer Books will be closed from the 24th to 31st August, both inclusive.

By order of the Board,
J. P. BELL,
General Manager.
Hamilton, 23rd July, 1917.

CANADA CEMENT CO., LIMITED

PREFERRED SHAREHOLDERS

DIVIDEND No. 30.

NOTICE IS HEREBY GIVEN that a dividend of 1¾% for the three months ending July 31st, 1917, being at the rate of seven per cent. per annum on the paid up preference stock of this Company has been declared, and that the same will be paid on the 16th day of August next, to Preference Shareholders of record at the close of business July 31st, 1917.

The Transfer Books of the Company will be closed from August 1st to 10th, both days inclusive.

H. L. DOBLE, Secretary.
Montreal, July 23rd, 1917.

SEALED TENDERS addressed to the undersigned, and endorsed "Tender for Extension and Repairs Negro Point Breakwater, St. John Harbour, N.B.," will be received at this office until 4 p.m., on Friday, August 31, 1917, for the construction of an Extension of and Repairs to the Negro Point Breakwater, St. John Harbour, St. John County, N.B.

Plans and forms of contract can be seen and specification and forms of tender obtained at this Department and at the offices of the District Engineers at St. John, N.B.; Halifax, N.S.; Shaughnessy Building, Montreal, P.Q., and Equity Building, Toronto, Ont.

Persons tendering are notified that tenders will not be considered unless made on the printed forms supplied, and signed with their actual signatures, stating their occupations and places of residence. In the case of firms, the actual signature, the nature of the occupation, and place of residence of each member of the firm must be given.

Each tender must be accompanied by an accepted cheque on a chartered bank, payable to the order of the Honourable the Minister of Public Works, equal to five per cent. (5%) of the amount of the tender, which will be forfeited if the person tendering decline to enter into a contract when called upon to do so, or fail to complete the work contracted for. If the tender be not accepted the cheque will be returned.

The Department does not bind itself to accept the lowest or any tender.

NOTE.—Blue prints can be obtained at the Department of Public Works by depositing an accepted bank cheque for the sum of $50, made payable to the order of the Honourable the Minister of Public Works, which will be returned if the intending bidder submit a regular bid.

By order,
R. C. DESROCHERS,
Secretary
Department of Public Works,
Ottawa, July 30, 1917.

Newspapers will not be paid for this advertisement if they insert it without authority from the Department.

Dr. Addison, British Munitions Minister, announces that output of war planes has tripled from May, 1916, to May, 1917, and that production is still increasing. Over 100 factories are engaged in the industry.

MONEY, BANKING AND EXCHANGE

Bank Clearings for the week Show Advance of 13.4 per cent. as Compared with a Year Ago. July Total Showed Improvement of 16.0 per cent.

BANK CLEARINGS.

According to official returns to THE FINANCIAL POST, for the week ending Thursday, bank clearings totalled $239,276,683, compared with $210,812,408 for the corresponding period a year ago. The increase amounted to 13.4 per cent., compared with 13.0 per cent. in the previous week. However, it will be noted that while there was practically no change in the percentage increase for all cities, the increase in Western cities was 26.3 per cent., compared with 7.4 per cent., and the increase in the East only 8.0 per cent., compared with 15.5 per cent. Calgary and Vancouver had the big increases in the West, with Medicine Hat, Lethbridge, New Westminster and Saskatoon high in the percentages. In the East, Toronto showed a big increase and Montreal a considerable decline.

WEEKLY BANK CLEARINGS.
(In comparison with same week last year.)

Eastern Cities.

	Aug. 2, 1917.	Change.	%
Montreal	$ 77,576,225—	$ 2,278,345	2.8
Toronto	55,612,535+	9,428,479	20.4
Ottawa	6,413,135+	1,648,658	34.6
Hamilton	4,823,932+	750,579	18.4
Quebec	5,103,553+	1,424,623	38.8
Halifax	2,833,602+	314,838	12.5
London	1,857,431—	85,029	4.5
St. John	2,119,012+	227,210	12.0
Brantford	703,865+	133,962	23.5
Peterboro	688,583+	97,755	16.5
Sherbrooke ...	699,169+	228,798	48.6
Kitchener	537,962+	34,210	6.8
Total, East..	$158,969,004+	$ 11,930,738	8.0

Western Cities.

	Aug. 2, 1917.	Change.	%
Winnipeg	$ 43,728,823+	$ 305,805	.7
Vancouver	8,190,934+	1,705,230	26.2
Calgary	5,863,975+	1,809,710	44.6
Edmonton	2,398,229+	425,843	21.6
Victoria	1,791,824—	3,407	.1
Regina	2,795,189+	376,642	15.5
Saskatoon	1,586,848+	373,953	30.9
Moose Jaw ...	1,061,556+	114,738	12.1
Ft. William ..	577,369—	50,781	8.0
Brandon	537,105—	98,443	15.5
Lethbridge ...	864,882+	325,207	60.3
N. Westm'ster	422,047+	110,858	35.5
Medicine Hat..	488,898+	164,059	50.6
Total, West.	$ 70,307,679+	$ 5,559,414	8.5
Gr. total ...	$239,276,683+	$ 28,464,275	13.4
Yr. to date.	$7,236,846,164+	$1,511,378,912	26.3

For the month of July, bank clearings reached a grand total of $1,021,015,811, compared with $879,598,217 for the same month of 1916. The increase was at the rate of 16.0 per cent., which was somewhat smaller proportionately than for the month of June, when the percentage was 20.9. The percentage increase of Western cities was 13.1 and of Eastern cities 17.1. In the West, Winnipeg, Calgary and Vancouver had the largest actual increases, but the best proportionate totals were those of Medicine Hat, Lethbridge and Regina, with Calgary fourth. In the East, Toronto and Montreal were far ahead of other cities in total increases, but Brantford and Halifax showed somewhat better percentages. Two cities in all Canada—Brandon and Victoria, showed small declines.

MONTHLY BANK CLEARINGS.
(In comparison with same month last year.)

Eastern Cities.

	July, 1917.	Change.	%
Montreal	$361,480,320+	$ 34,765,313	10.6
Toronto	262,966,414+	54,206,523	25.9
Ottawa	26,024,089+	3,275,668	14.3
Hamilton	20,581,042+	4,030,491	24.3
Quebec	19,791,439+	3,129,175	18.7
Halifax	14,913,658+	3,538,991	31.1
London	9,744,933+	1,026,177	11.7
St. John	8,802,474+	995,193	12.7
Brantford, ...	3,718,664+	918,095	32.7
Peterboro	2,918,954+	636,416	27.5
Sherbrooke ...	2,792,452+	547,702	24.4
Kitchener	2,449,430+	442,281	22.0
Total, East..	$736,178,869+	$107,512,025	17.1

Western Cities.

	July, 1917.	Change.	%
Winnipeg	$174,458,431+	$ 8,403,478	5.0
Vancouver ...	35,285,712+	7,803,866	28.3
Calgary	26,512,178+	8,207,107	44.8
Edmonton	11,064,031+	2,565,364	30.1
Victoria	7,421,487—	294,104	3.8
Regina	13,013,121+	4,094,995	45.9
Moose Jaw ...	4,483,089+	631,340	16.3
F. William ...	3,013,144+	471,670	22.1
Brandon	2,276,235—	348,747	15.3
Lethbridge ...	3,487,002+	1,235,767	54.8
N. Westm'ster.	1,601,716+	342,385	27.1
Medicine Hat .	2,220,796+	792,448	55.4
Total, West.	$284,836,942+	$ 33,905,569	13.1
Grand total .	$1,021,015,811+	$141,417,594	16.0

U.S. BANK CLEARINGS.

Bank clearings in the United States for the week ending July 26 aggregate $5,540,558,000, against $6,539,512,000 last week and $4,155,505,000 in this week last year, an increase of 33.3 per cent.. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:—

(000's omitted)

	July 26	I or D.	July 19
New York..	$3,285.124	I 34.8	$4,045,828
Chicago	463,309	I 27.8	510,337
Philadelphia	288,990	I 27.6	321,878
Boston	228,108	I 11.4	275,230
St. Louis ..	114,231	I 19.0	130,035
Kansas City	134,147	I 78.0	145,742
San Fran...	85,892	I 47.6	103,907
Pittsburgh..	90,709	I 37.5	76,299
Cleveland...	80,383	I 56.5	88,061
Detroit	49,962	I 22.5	61,486
Baltimore...	40,203	I 9.9	44,628
Cincinnati...	46,613	I 49.2	45,931
Minneapolis.	23,635	I 1.3	27,122
New Orleans	31,148	I 56.7	33,256
Los Angeles	26,857	I 22.8	31,351
Omaha	30,362	I 53.1	31,913
Milwaukee..	21,848	I 28.0	26,724
Atlanta	21,597	I 79.6	24,597
Louisville .	18,110	I 13.6	21,134
Richmond .	26,119	I 70.3	27,828
Buffalo	20,788	.....	20,788
Seattle	23,924	I 71.5	22,981
St. Paul ...	13,405	I 3.5	13,727

MONEY.

Call money in London has been quoted daily at 4%. In New York the ruling rate has been for the most part 2½%. The week opened with money steady at 2 to 2½%. This condition continued on Tuesday, but on Wednesday there was an easier feeling and quotations dropped to 1½% to 2½%, with the ruling rate 2%. On Thursday there was a little more firmness, the rate again rising to 2½%.

EXCHANGE.

The position of New York funds is at present the most interesting feature of the exchange situation. Continental and even sterling exchange have become more or less nominal in character but the market for New York funds is alive and readily susceptible to price movements. In fact changes are occuring almost hourly. Buying is being done for immediate requirements and is thus practically a hand to mouth affair, so that any unusual demand soon sends up the price.

Contrasted with the effect which Canada's earlier borrowing in New York had on quotations, the influence of the present loan has so far been almost negligible. That it will eventually have a steadying effect is certain. If the Canadian Government decides to bring some of the money over and thus becomes an extensive seller of New York funds, the rate should soon show it, or, even if the money is applied in the United States, a similar effect will be produced, since the demand for funds will drop.

At the close of the day last Saturday, quotations stood around 5-32% premium. On Monday, there was little demand and the rate dropped at one time to ⅛%. On Tuesday, however, buying developed, driving the rate up to ⅜%. On Wednesday there was a reaction to 3-16%, and on Thursday to 5-32%, which was also the prevailing rate yesterday.

Demand sterling has been quite unchanged all week at 4.7555, while, of course, cables were fixed at 4.76 7-16.

Francs were also steady, fluctuating within very narrow limits. On Monday demand was at 5.76¾ and cables 5.75¾. Both lost ⅛ on Tuesday, held there on Wednesday and gained 7-16 and ½ respectively on Thursday.

The course of Russian exchange was more varied. Last Saturday's quotations were 21.25 for demand and 21.38. Monday saw a gain of .10 in each and Tuesday a gain of 40, bringing prices to 21.45 and 21.55. This improvement continued on Wednesday, but on Thursday there was a slight decline, the close being at 21.60 and 21.70.

IMPERIAL.

Major T. R. Coleman, M.C., formerly accountant of the Cobalt branch of the Imperial Bank, has been further recognized for his services in France, according to advices received at his home in Brantford. Leaving with the first contingent, with which he enlisted at Galt, he was rapidly promoted, and for his work at Courcelette he was given the Military Cross. Now word has been received that for his work at Vimy Ridge he has received the D.S.O. He led an attack, clearing away a machine gun emplacement with bombs, and cleared the enemy entrenchments until wounded.

BANK OF HAMILTON.

The Bank of Hamilton is circulating an interesting comparative statement of the assets and liabilities of the institution as taken from the last three annual statements. During the two years covered the assets have increased from $44,038,355 to $60.738.773, a very satisfactory growth in the face of the war conditions which have prevailed.

LONDON CITY AND MIDLAND.

The directors of the London City and Midland bank announce an interim dividend for the 1917 half-year at the rate of 18 per cent. per annum, less income tax, payable 14th July. The sums of £100,000 has been voted as a bonus for the staff. The dividend referred to is at the same rate as for the corresponding period of last year.

ROYAL AND MERCHANTS NATIONAL.

In pursuance of the plan whereby important financial interests recently acquired a large holding of the Merchants National Bank of the City of New York, vacancies in the board of directors have been filled by the election of the following: J. E. Aldred, Nicholas F. Brady, and Arthur V. Davis. Raymond E. Jones, now agent of the Royal Bank of Canada in New York City, has been elected Vice-President of the bank.

Mr. Aldred is the senior member of the firm of Aldred & company, of 24 Exchange Place, New York City. He is chairman of the board of the Consolidated Gas, Electric Light & Power company of Baltimore; chairman of the board of the Pennsylvania Water & Power company; president of the Shawinigan Water & Power company, of Canada.

Nicholas F. Brady is president of the New York Edison company, chairman of the board of the Brooklyn Rapid Transit company and an officer and director of many important public service and industrial corporations in the United States.

Arthur V. Davis is the president o the Aluminum company of America, a director of the Mellon National Trust company of Pittsburgh and closely identified with many important enterprises in the united States and Canada.

Raymond E. Jones, at present a director of the bank, will assume his duties as Vice-President on August 1st. He was born and brought up in New York city, and has been connected in various capacities with the Royal Bank of Canada for over sixteen years.

Ex-Senator Burton of Ohio continues as president of the bank, the expansion of which as an independent and conservative institution is assured.

BANKS AND BUSINESS.

Some Features of the Situation, Present and Prospective.

For some time THE FINANCIAL POST in its Business Outlook article has been drawing attention to the growing scarcity of ready capital due to heavy national and business requirements at a time when outside funds have ceased to flow in. The necessity has been emphasized for conservation of liquid assets for the handling of the crop, and to maintain our manufacturing output, capital investments and expenditures in the meantime to be cut to the minimum where immediate production will not follow. These views find endorsation in the Canadian Bankers' Journal, which may be taken to represent banking opinion in this country:

"With the tightening of the money markets here and in New York it is becoming increasingly apparent that the resources of the Canadian banks will be severely taxed by the requirements of the business interests of the country, and the special Governmental demands upon them, Imperial as well as Canadian, arising out of the war.

"While the successful prosecution of the war is the immediate purpose to which all other considerations are secondary, it does not necessarily follow in the opinion of economists, that all available cash resources are to be unreservedly turned into war channels. The duration of the war is an uncertainty, and if business is crippled and profitable manufacturing production is paralyzed by withdrawal of the necessary capital, there will very shortly be an end of money for the war itself. Britain has maintained her financial position and consequently ability to maintain her increasing armies in the field by exports increased to annual volume since the war began. Canada and the Canadian banks cannot ignore at this juncture this object lesson of British financial mangement. The creation of wealth is the correlative of its conservation if Canada and the banks are to 'carry on' financially until the end of the struggle.

"There are two principal reasons why Canadian bankers should warn their friends, the merchants and manufacturers of the Dominion, against over-stocking. First, the outlook for trade in Canada after the war is obscure to a greater degree than ever before, and manufacturers and merchants must guard against finding themselves with goods on hand produced under fictitious conditions as regards cost and labor and material, for which there may be little demand, even at heavy loss. The second reason E. F. Hebden gave in his timely hint as to how the commercial demand for discounts might be diminished to a certain extent without appreciably cutting down our productive- capacity, in his address to the Merchants Bank shareholders on June 6, when he referred to 'the unreasonable buying and storing of raw material far ahead, and excessive contracting in advance on borrowed money' practised by some clients of the banks.

"There has not yet been serious pinching in the matter of money supplies, and if customers generally recognized it as a patriotic duty to limit their demands for loans there will be a better chance of avoiding or escaping a prolonged stringency; at the same time the banks will have a freer hand in extending financial support to the Government. By way of illustration it might be said that the general public can help, in this matter of conserving the money resources of the country, by postponing extensions to plants and machinery which would be profitably operated, but which can wait—this does not, of course, refer to war industries; buying only such goods as are needed to carry on business, and not stocking up beyond present needs in the hope of gain through a further increase in price; avoiding special operations which promise to be profitable, but might just as well be left alone.

"During this great crisis it is most important that the individual customers of the banks make some effort to discern the economic effect of the credit transactions which they submit to their bankers. Particularly in those transactions which merely promise personal gain without increasing Canada's production, should self-restraint be exercised."

BRITISH PRICES.

Index of Wholesale Commodities Has Risen from 100 to 256.

The month of June has seen a jump in the Economist's Index Number of whoesale commodity prices, which just exceeds the rise recorded in March, and is the greatest that has taken place in any month during the course of the war. The total figure rose 231 points to 5646, the percentage figure advancing from 246.0 to 256.6. The formidable change is not due to an all-round lift in prices the level of which was on the basis of 100 prior to the war.

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80 KING ST. EAST · TORONTO
Telephone Main 2717

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INCORPORATED 1869
Capital Authorized - - - $ 25,000,000
Capital Paid Up - - - 12,911,700
Reserve and Undivided Profits, 14,324,000
Total Assets - - - - - 295,000,000
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Thirty-eight Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela.
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SOME FEATURES OF GOVERNMENT PRICE CONTROL

Production Threatened by Proposed Action in the United States.

AS APPLIED TO AGRICULTURE

Suggestion That an Attempt Be Made to Adjust Prices From Time to Time as Warranted by Prevailing Conditions.

There has been no more important or difficult problem created by the war in relation to industry and business than that of price regulation. Under the system of democratic administration which we have known, the question of value has been left almost altogether to supply and demand, with the supply of money acting as a factor in the latter connection. The great world war has created abnormal conditions. The nations engaged are purchasing for their insistent requirements with reckless regard of the value of money. This demand, combined with the fact that production has not kept pace and with the fact that money is being very freely spent, has resulted in commodity prices going to unheard-of levels. The result has been that price regulation has become a popular cry, and governments, pressed on by the popular demands, are showing a tendency to come between the millstones of supply and demand.

Particular interest has been taken in the situation in the United States since that nation entered the conflict on the side of the Allies. Immediate and drastic steps were taken in the direction of price regulation, and the popular opinion was that progressive American ideas would solve in that country the difficulties encountered by other nations. To-day industrial United States still awaits the decision at Washington as to price standards. In the meantime, the prospect of government prices has had the effect of largely disorganizing the manufacturing machinery of the country.

Maximum and Minimum.

The theory of price regulation has two distinct phases. On the one hand there is the demand for a maximum price for the protection of the consumer, and on the other hand the demand for a minimum price in order to encourage the producer. However, there is at once created the difficulty that, if the maximum price is named, nobody will sell below it, and the result is rather to raise prices than to limit them. On the other hand, if a minimum price is named, there is a danger that it will discourage rather than stimulate production. The difficulty may be summed up in the fact that it is practically impossible to fix a price which will be equally satisfactory to both buyers and sellers, to both producers and consumers. Under the circumstances interest attaches to the theories of regulations advanced by Edward A. Bradford in the New York Annalist, who says:

It is singular that a hint has not been taken from the manner in which the money market is regulated. The Federal Reserve Bank, for example, does not fix the interest rate. It merely names a standard rate and imposes it upon nobody. Anybody is free to adopt the standard rate or to make other rates for particular reasons. But the standard remains by which the reasonableness of all rates may be tested. The customer is not helpless if any bank seeks to overcharge him. He can refer to the official standards and ask the bank to justify its higher rates. The bank also can use the standard rate by requiring the customer to qualify his loan strictly according to the standard, or otherwise to pay another price. It is to be remarked, moreover, that the money rates are revised constantly. They are not fixed with any idea that the market can be conformed to them. They rather follow the market than make the market, although the standards are influential upon the market rate.

If there is to be any sort of Government price-fixing for commodities, it would be an improvement upon maximum and minimum rates if it were managed in some such manner; that is, with constant revision. A seasick man cannot long for some force to hold the ship steady more fervently than the perplexed buyer or seller may long for fixed prices. It is a vain hope in both cases. Prices cannot be fixed by Government any more than Government will allow others to fix prices. Change with conditions is the law of economics.

Regulating the Factors.

Another point in connection with price regulation is that to be successful, the regulating must apply to the factors which enter into the cost of the products. If a price is to be set upon a certain article, then it is important that wages and the cost of the raw material should be in proportion to the price allowed. Labor is regarded by economists as the most universal commodity. It is the indispensible ingredient in all price problems. Therefore, it would seem that if any price is to be successfully fixed, a basis for wages would have to be established. This would not mean fixed in the sense of being invariable or with the regard to the interest of those receiving wages, but in the sense of being conformed to a fair, even generous, standard, having regard as well to the interest of those using the products of wage payments as of those receiving wages. Labor may be right in resisting exploitation, but labor should not exploit the community by organizing scarcity in times of plenty and when the Nation's fate is in the balance.

Lloyd George has described his experience in the Glasgow shops where he has seen machines standing idle, with men idle beside them, willing to work, but forbidden by the shop rules of the Engineers' Union. If a hand had been laid on those machines, all the engineers would have come out. Therefore, with regulators of wages endeavoring to regulate them upwards, and with regulators of capitalistic profits threatening to regulate them downwards, it is not surprising that a state of uncertainty exists in the industrial situation.

The Farm Situation.

The agricultural situation is different to the industrial situation. In manufacturing wage standards are fixed by the Union. There is no standard for farmers' wages or farmers' profits. The farmer product depends as much upon the weather as upon himself and is, therefore, highly speculative. The farmers have all the labor troubles of other producers, and some others of their own. There is no possibility of the world raising too much food this year, but the farmers ought not to be allowed to exploit the hungry people of the world. Under the circumstances nothing would so stimulate the farmer as a guarantee, not as to a maximum or minimum price, but of a price which would relieve him of the uncertainty of his production and of his profit.

What may be accomplished by price fixing is uncertain. The weather provides this element of uncertainty. Mr. Bradford suggests that we take a hint from the interest market. He says:

A specialist on the Exchange is a man who stands ready either to buy or to sell at prices which he alters from time to time. Why might not the Government be a specialist in food, either buying or selling at the prices which it declares fair? Merely to declare the prices fair and to allow them to be evaded would be a mockery. But to name a fair price, and to deal at that price, would assure a square deal for both producers and consumers. It is a heroic and novel remedy for an unprecedented condition. It has many objections. One of them may perhaps be a virtue. It would absorb and destroy the food market. Ordinarily that would be fatal. But the case calls for Government control, and it would be better attained by familiar methods than by arbitrary intervention. The object would not be profit, but the stabilizing of the market on a fair basis. An incidental profit would be no objection, but with all the cards in its hand there need be no profit. Neither is it likely that there could be a loss, certainly not a loss larger than the cost of other methods. The buying and the selling could be balanced by the price changes to suit the Government's book.

SEED GRAIN LEGISLATION.

Consequences of Ill-Considered Legislation Still Being Noted.

The Government continues to experience the consequences of the ill-considered seed grain legislation of 1914-15; consequences which THE FINANCIAL POST foresaw and predicted. Without efficient machinery for the purpose, collections have not been in any degree efficiently or consistently made, while the average landholder displays a natural reluctance to go out of his way to pay his debt to the Government—especially as few people put a Government obligation on the usual basis of a "debt."

The most recent development has been the proposal at Ottawa to amend the Dominion Lands Act so as to protect the Government for the amount of the seed grain advances where homesteads are forfeited. It is desired that when the improvements on a quarter section taken up for a second time—improvements for which the settler must pay—do not amount to as much as the seed grain lien, that the balance may also be charged against the land.

The fact that there are instances where homesteaders secured for seed grain larger amounts than represented by the actual improvements to the quarter section, is a belated but conclusive argument against the original legislation, and a condemnation of the loose manner in which it was quite evidently administered.

FIVE AND TEN-CENT STORES.

Six Months' Sales Show Average Increase of 15.88 Per Cent.

The war has had no bad effect on the business of the 5 and 10-cent store chains, as is shown by the six months' sales figures of the four leading companies. These four chains, Woolworth, Kresge, McCrory and Kress, show an average increase in sales for the first half of 1917 of 15.88 per cent. over the same period of 1916, and a total gain of $7,766,064.

That such an increase in business was obtained is even more remarkable in view of the fact that 1916 was a year when all the 5 and 10-cent chains created a new high record for sales. Another factor is that the companies, with the exception of the F. W. Woolworth Co., have opened a comparatively small number of new stores. The McCrory organization opened but three new stores in the first six months and still increased its sales by 19.53 per cent., the largest per cent. increase by any of the four chains.

The comparative sales for the six months with the increases and new stores of the four companies follows:

	1917	1916	Increase
Woolworth..	$41,507,893	$37,208,704	$4,299.189
Kresge	13,217,253	11,195,456	2,021,797
Kress	7,422,299	6,504,268	918,031
McCrory ...	3,335,541	2,808,364	527,047

McLAUGHLIN

McLAUGHLIN again wins Reliability Test

THE GRAND PRIZE OF THE OTTAWA-PRESCOTT HIGHWAY RELIABILITY TOUR GOES TO DR. R. E. VALIN AND HIS McLAUGHLIN D-SIX-45

Sixty-five motorists driving cars of all makes started on June 28th in the Reliability Tour from Ottawa to Alexandra Bay via Prescott and Gouvenor, N. Y.

The McLaughlin D-Six-45, driven by Dr. R. E. Valin, emerged with a perfect score of 1000 points from the gruelling tests to which all were subjected. So keen was the competition for highest honors that Referee Edenburn had to devise special tests in which the McLaughlin proved its superiority.

McLaughlin supremacy in points of Power, Easy Control, Efficiency and Economy has again been established by this Tour.

The results of the tour reflect credit on Dr. Valin as well as on Canada's Standard Car.

The Reliability Tour was not a road race nor a speed test. No professional chauffeurs took part. Owners drove their own cars and the tests brought out the best both in car and driver.

Canadians who want the joys of motoring, without the annoyance of mechanical trouble, will heed the lesson brought out by this tour and make their new car a McLaughlin.

WRITE FOR CATALOGUE SHOWING MODELS AND PRICES

The McLAUGHLIN MOTOR CAR CO., Limited
OSHAWA, ONTARIO

DR. R. E. VALIN IN HIS McLAUGHLIN D-SIX-45, WINNER OF THE OTTAWA-PRESCOTT HIGHWAY RELIABILITY TOUR

Canada's Standard Car

THE W. T. C. BOYD COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 29th day of June, 1917, incorporating William Thornton Cust Boyd, lumber manufacturer; Eric Mossom Boyd, and Charles Edward Hollis Clement, accountants, of the Village of Bobcaygeon, in the Province of Ontario; Thomas Stewart, of the Town of Lindsay, in the said Province of Ontario, barrister-at-law, and Henry John Wickham, of the City of Toronto, in the said Province of Ontario, for the following purposes, viz.:—(a) To carry on a general business in the Province of British Columbia and elsewhere throughout the Dominion of Canada (as hereinafter mentioned) as dealer in timber lands, manufacturers of and dealers in all kinds of lumber, timber and wooden ware, including pulp and paper; (b) To engage in the building, construction and equipment of ships and vessels and all manufactures incidental thereto; (c) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (d) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The W. C. T. Boyd Company, Limited," with a capital stock of one hundred and fifty thousand dollars, divided into 1,500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 30th day of June, 1917.

THOMAS MULVEY,
Under-Secretary of State.

GENERAL MINING AND EXPLORATION COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 11th day of June, 1917, incorporating William Alfred James Case, solicitor; James Broadbent Taylor, accountant; William Morley Smith, barrister-at-law; Charles Lawford Valens and Cyril Middleton Smith, students-at-law, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.: (a) To prospect for, open, explore, develop, work, improve, maintain and manage gold, silver, copper, nickel, lead, coal, iron and other mines, oil wells, gas wells and oil and gas properties and other deposits and properties, and to dig for, raise, crush, wash, smelt, assay, analyze, reduce, refine, amalgamate and otherwise treat ores, metals, oil, gas, minerals and chemicals of all kinds, whether belonging to the company or not, and to render the same merchantable, and to deal in, buy, sell and otherwise dispose of the same or any part thereof or any interest therein, and generally to carry on the business of an exploration, mining, milling, reduction, smelting, refining and development company; (b) To acquire by purchase, lease, concession, license, exchange or other title, lands, mines, mining lands, leases, easements, mineral properties or any interest therein, minerals and ores and mining claims, options, powers, privileges, water and other rights, patent rights, letters patent of invention, processes and mechanical or other contrivances, and either absolutely or conditionally, and either solely or jointly with others and as principals, agents, contractors or otherwise, and to lease, place under license, sell, dispose of and otherwise deal with the same or any part thereof, or any interest therein; (c) To construct, maintain, alter, make, work and operate on the property of the company, or on property controlled by the company, reservoirs, dams, flumes, race and other ways, water powers, aqueducts, wells, roads, piers, wharves, buildings, shops, stamping mills, dredges and other works and machinery, plant and electrical and other appliances of every description, and to buy, sell, manufacture and deal in all kinds of stores, implements, provisions, chattels and effects required by the company or its workmen or servants; (d) To construct, acquire, own, charter, navigate, operate, maintain, manage, hire, lease, sell or otherwise dispose of all kinds of steam and sailing vessels, boats, barges and other vessels, wharves, docks, elevators, warehouses, freight sheds and other buildings, and generally to carry on the business of an elevator, navigation and transportation company; (e) To acquire by lease, purchase or otherwise, steam, electric, pneumatic, hydraulic or other power or force, and to use, sell, lease or otherwise dispose of the same for the purpose of light, heat or power, provided, however, that any sale, distribution or transmission of electric, pneumatic or other power or force beyond the lands of the company shall be subject to local and municipal regulations in that behalf; (f) To acquire by purchase or otherwise and hold lands, timber limits or licenses, water lots and interest therein, and to build upon, develop, cultivate, farm, settle and otherwise improve and utilize the same, and to lease, sell or otherwise deal with or dispose of the same; (g) To manufacture, buy, sell and deal in logs, lumber, timber, wood, all articles into the manufacture of which wood enters, and all kinds of natural products and by-products thereof; (h) To purchase and otherwise acquire, hold, sell or otherwise dispose of shares or stock, bonds, debentures or other securities in any other corporation, notwithstanding the provisions of section 44 of the said Act; (i) To purchase or otherwise acquire and undertake all or any part of the assets, business, property, privileges, contracts, rights, obligations and liabilities of any person or company carrying on in whole or in part business similar to the business which this company is authorized to carry on or possessed of property suitable for the purposes thereof; (j) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business transaction which this company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this company; (k) To raise and assist in raising money for and to aid by way of bonus, loan, promise, endorsement, guarantee of bonds, debentures or other securities or otherwise any corporation in the capital stock of which the company holds shares or of any corporation or person or persons with which it may have business relations, and to act as employee, agent or manager of any such corporation, person or persons, and to guarantee the performance of contracts and obligations by any such corporation or by any person or persons with whom the company may have business relations or the guaranteeing of whose obligations appear to be of benefit to the company; (l) To lease, sell or otherwise dispose of the property and assets of the company or any part thereof, for such consideration as the company may deem fit, including shares, debentures or securities of any company; (m) To apply for, purchase or otherwise acquire, protect, prolong, and renew patents, patent rights, trade marks, formulae, licenses, protections, concessions and the like, conferring or relating to any exclusive or non-exclusive or limited right, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company or the acquisition of which may seem calculated, directly or indirectly, to benefit the company, and to use, exercise, improve, develop or grant licenses in respect of or otherwise turn to account the property, rights or information acquired; (n) To distribute among the members of the company any shares, debentures, securities or property belonging to the company, to pay for any services rendered to and any properties and rights acquired by the company in such manner as may be deemed expedient and in particular by the issue of shares of securities of the company credited as fully or partly paid up; (o) To distribute or divide assets of the company in specie among the shareholders; (p) To do all acts and exercise all powers and carry on all business incidental to the due carrying out of the objects for which the company is incorporated or necessary to enable the company to profitably carry on its undertaking; (q) No power granted in any paragraph hereof shall be limited or restricted by reference to or inference from the terms of any paragraph hereof; (r) To enter into any arrangements with any governments or authorities, supreme, provincial, civic, municipal, local or otherwise, that may seem conducive to the company's objects, and to obtain from any such government or authority any statutes, ordinances, licenses, contracts, orders, regulations, decrees, rights, powers, franchises, privileges and concessions which the company may think it desirable to obtain and carry out, exercise and comply with the terms of the same. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "General Mining and Exploration Company, Limited," with a capital stock of forty thousand dollars, divided into 400 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 13th day of June, 1917.

THOMAS MULVEY,
Under-Secretary of State.

THE FINANCIAL POST
OF CANADA

President - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - H. T. HUNTER
Manager - - - - - - - - - R. G. DINGMAN

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Toronto, August 4, 1917.

PURELY A BUSINESS PROBLEM.

INCREASED production from agricultural Canada is, in principle, not a great deal different from securing increased production from manufacturing Canada. It is because it has been evidently accepted, by the powers that rule, that grain production is the result of the combined workings of nature and Providence, that the 1917 acreage showed a decline rather than an increase. We need an aggressive policy administered by an aggressive and capable executive. We need, not the puttering experiments of a politician or the scientific theorizing of an agricultural professor, but the capable organizing of a man of proven business ability, a man with a reputation of securing results.

That proper organization will bring the results has been proven in England. While Canada, with her great areas of open virgin land, has done nothing to increase production; over-built and over-populated England, with her best men in the army, has reclaimed from parks and pastures, and taken from her wooded areas an additional three million acres for agricultural production for 1918. Organization and administration by capable executives and the adoption of business methods, is the answer.

WHERE IS THE BRUCE REPORT?

THE demand has been made in the House of Commons that the second Bruce report be produced and the only answer given has been that the report had been sent to Sir George Perley in London. The Minister of Militia had not considered the report; not a member of the Government apparently has seen it or taken the interest to read it. Sir George Perley cables that he has not received it.

It is three months since this report was sent to the Government at Ottawa. It deals with the all important problems of the care of our wounded soldiers. It is an answer to that remarkable Babtie report which served to whitewash the army medical service after the criticisms of Colonel Bruce and to nullify many of the important recommendations for reform that Bruce had made in his first report. Bear this in mind, that the first Bruce report sweepingly condemned the management of the Canadian army medical service in England, that it pointed to evils in the care of our wounded soldiers and proved the existence of conditions leading to tremendous unnecessary expense. Bear also in mind that the Babtie report which set aside Col. Bruce's findings was the result of an enquiry conducted by a commission headed by Sir William Babtie, who has since been condemned for the terrible mishandling of the medical service in the disastrous Mesopotamian campaign. In the face of these facts the country has a right to demand that the second Bruce report be dealt with at once and that the widest publicity be given to it.

The publication of the facts in THE FINANCIAL POST in regard to Babtie's connection with the Mesopotamian campaign, precipitated the discussion in the House. No mention had previously been made in Canada of the severe condemnation of Babtie which the report of the Mesopotamian Commission contained. It is worth recalling that the publication of the first Bruce report in THE POST forced the Government to take action in that connection.

MINIMUM PRICES SHOULD BE FIXED FOR SOME YEARS.

THE question of prices has been made a bugbear to the farmer. Because people do not apply business principles to the agricultural industry confusion results. The recent debate in the House of Commons turned that historic chamber into a veritable Tower of Babel so far as opinions on the question of price regulation. There were no two opinions alike, and evidently no one member understood any other.

The problem appears to be a simple one. Canada is an exporter of farm products. The higher the prices go the less we will consume, the more we will export and the more prosperous will be the country and the people in it. This of course refers to the legitimate market; undue speculation—the existence of which has not yet been proven—should not be permitted. Nor should dealers be permitted to fix prices.

On the other hand there is a danger that the price may come down. That to Canada is the great danger. It is that danger which may curtail production if the government does not give some reasonable assurance of a minimum price which will insure the farmer against loss in developing new areas and equipping himself with additional machinery.

The two foregoing paragraphs give a summary of the situation from a business standpoint. Yet because wheat or potatoes are not turned out on a lathe or from a moulding frame the discussion of agricultural production runs all up and down the scale of theory, conjecture and speculation.

The problem which requires serious consideration is labor. There has been a heavy drain for the forces at the front. There has been a drain too for the production of munitions, a production which has led to unhealthy wages being paid in many instances. Farm wages will have to go higher. This is one reason why the farmer must be assured that the bottom will not drop out of his market. But as wages will not altogether solve the problem, it is natural to consider what can be done by the aid of machinery—it was machinery that proved the big factor in relation to the problem in England.

We should have more agricultural implements throughout the country.

We should have more tractors to facilitate sowing and harvesting.

Then also there should be steps taken to insure the transportation services necessary to transport the yield quickly to the seaboard.

But the first step that should be taken is to make a change in the head of the government department responsible. The present Minister of Agriculture has by this year's results shown himself to be a failure. A change is necessary.

BANKS' AID TO AGRICULTURE.

TO FACILITATE the operation of their agricultural credit schemes, two of the Western Canadian provinces have each recently been extended temporary bank credits of $1,000,000 at five per cent. Sir Thomas White is paying over six per cent. for his new Dominion funds in New York. Here is food for thought for those who are inclined to belittle the service of our banks for domestic needs and for agriculture in particular.

The fact that Canadian banks are willing to lend their money to the Western provinces for farm loans at more than one per cent. less than Canada can borrow funds in New York is a concrete indication of the co-operation which is being rendered for the increase of agricultural production. The banks have had many critics and not the least severe have been the Western farmers, who in many instances sought credits indicating a lack of knowledge of the proper functions of such institutions. Now the banks have an opportunity of being a real service in a legitimate banking manner and they are willing to do so at a rate considerably below the market.

LOANS FOR THE SOLDIER.

THE problem of the returned soldier is one which promises to become of great national importance. The Dominion Government is therefore to be commended for steps being taken to provide for the men who have sustained the Empire in the trenches. Canada's future, being largely an agricultural future, the most practical solution would be to encourage the men who take off the King's uniform to go on the land. A direct encouragement of this is the Soldier Settlement Act which has received its second reading in the House of Commons and which provides for the granting of a homestead of 160 acres to returned soldiers and a Government loan of $2,500 for any of several purposes of development.

Let us repeat that legislation to provide for the returned soldiers is to be commended. We can't do too much for the men who defended us in France. At the same time we believe that a distinction should be drawn between what is a business transaction and what in effect is a bonus. Lending $2,500 to a settler on a virgin quarter section is in practical effect a bonus. As such it should be considered. The experience of the loaning organizations in Western Canada has shown that on the average it is not business to loan more than $1,000 on a virgin quarter section. This land on the average is worth about $10 per acre and if the interest is allowed to lapse for a couple of years on a $1,000 mortgage the arrears and the charges practically wipe out the security.

Under the circumstances if the policy of loaning $2,500 on a quarter section is not carefully watched and proper regulations provided there are many opportunities for the Government to lose money. Besides which experience has indicated that during the initial developments a capital investment of over $1,000 is questionable. If proper precautions are not taken there would appear to be nothing to prevent the soldier from borrowing $2,500 on his quarter section and then turning the quarter section back to the Government in settlement of the Government's claim. This would mean a loss to the Government. It would handicap the soldier. It would still have the land on its hands but would have to give it away again.

The principle underlying should be help the soldier to help himself. Give him what he needs to start, to get on his feet; to show that he can make a success. Then give him as a reward for his effort another one, two or five thousand.

Under the circumstances the Government would be well advised to get the practical advice of loan company officials and to form an advisory committee of such officials of returned soldiers and of practical farmers in connection with the administration of the Act. A system of practical inspection and advice by men on the ground would also appear to be important in regulating the loans as granted.

EDITORIAL NOTES.

THE war continues and seems likely to for some time, yet the Ross Rifle plant bought by the government continues idle. Can it be that activities are suspended until after the war is over?

* * *

THE Hydro press says that public ownership has reduced the lighting bills in Toronto more than half. This is similar in logic to the argument that if it had not been for Christopher Columbus, America would never have been discovered.

* * *

IN writing in the Journal of Political Economy on the railroad problem in the United States, A. V. Arragon, Iowa State College, dismisses the possibility of government ownership as a solution, saying briefly:—

As for government ownership, no discussion is here attempted. The plan presented is based upon the supposition that government ownership is inadvisable, particularly because of the likelihood of confusion between government and railroad finance and the administrative dangers that would be involved in having the railroads run by government employees.

FIRESTONE—HOW HE DEVELOPED HIS BIG IDEA

Sharing "Rubber-Tired" Comfort With the People Has Led to a Business of $60,000,000 a Year.

When a young man named Firestone—twice already a failure to the extent of losing his job—drove the only rubber tired buggy in Detroit (it was not his own), he got the idea that others might care to share the comfort—at a price. That idea, plus energy, resourcefulness and courage has to-day been developed into the Firestone Tire and Rubber Company, which is doing business at the rate of $5,000,000 per month. H. S. Firestone, President of the company, and the driver of the cushion wheeled vehicle referred to, tells in System of the steps by which he has attained success, emphasizing the "advantage" of the incentive of impending failure in the laying of a solid industrial foundation; he does not think his present business would have attained its present proportions had he had all the capital he wanted when he launched it; but he tells his own story best:

I started in at an early age as a bookkeeper in a small coal office—a one-man coal office. The business was a profitable one—for my employer. And as I worked hard he considered me a profitable employe and later did his best for me in the way of opportunities.

Later he decided to go into the druggist's sundries business. He wanted me to go on the road for him. I was reluctant to do so, but when he offered me fifty dollars a month I couldn't resist the temptation, and started out as a salesman.

Advertising Must Be Better.

It was while in this work that I came in contact with one of the fundamental principles of successful business. My employer decided to invest a considerable amount of his capital in advertising, just as his competitors were doing. But in doing so, he failed to realize that his advertising must be better than that of his competitors in order to obtain their business. He simply followed their accepted style of advertising and therefore was unable to overcome their business lead.

He lacked vision—he was unable to find that which the average man does not see—and it was not long before I was out of a job.

A short time later I became connected with the buggy industry and was made manager of the Michigan business for a then well known buggy concern, with headquarters in Detroit.

While my position paid me well—because I worked hard and put in many hours a day—it took every cent I could earn to keep up my associations with these men. For five years I made good money but I spent almost every cent of it.

Then came the jolt. For the second time in my short career the business I was connected with failed. I was again out of a job, and what made this predicament worse was the fact that I had just been married. I had assumed responsibilities and found that I was in danger of not being able to meet them. It was like dashing ice-cold water into a sleeping man's face. I sat up suddenly and discovered that my financial assets were exactly the same as when I lost my first place.

I saw that I had been on the wrong road to success. I realized the mistake of letting my expenses keep pace with my income. And I also decided that the time had arrived when I must come to some definite conclusion as to what my future business career was to be.

It is because of my realization of these fundamental rules of business success that I look back upon my difficulties and see in them experiences that were absolutely necessary to my future business career.

Birth of the Big Idea

It happened that I was driving the only rubber-tired buggy in Detroit—it may have been the only rubber-tired buggy in the state of Michigan. Rubber-tired vehicles were almost an unknown luxury then.

While I was enjoying the comforts of that cushion-wheeled buggy, it occurred to me that others would also enjoy such an equipage and would be willing to pay a fair price for the opportunity. The field was almost unlimited, I figured. The country was full of buggies and the owner of each was a prospective rubber tire purchaser. I felt then and there that the making of rubber carriage tires would be a mighty good and profitable buusiness to go into.

My resolve was cemented following a conversation with a friend of mine from Chicago who dined with me in Detroit. I told him how I felt about the rubber tire business and said that I would like to go into it. He responded:

"So would I." We did. For a time he was associated with me. We bought an old run-down rubber factory in Chicago, on Wabash avenue near Harrison street, for $1,500. It cost us $500 or $700 to get started. Our cash capital was less than $1,000.

The beginning was awfully hard. Talk about my first three years in business for myself. I'll never forget them. It was in the winter of 1895 that I started. A dollar looked to me as big as a buggy wheel and, at that, it was the most prosperous period in the history of the buggy business.

My main job at that time was endeavoring to make a cent do a nickel's worth of work. It was hair-splitting work, taxing our resources, patience and ambition. It proved beyond doubt that "eternal vigilance is the price of success." Even the use of a postage stamp was given serious consideration. But I learned how to prevent waste and to eliminate unnecessary overhead.

As an illustration of our condition, let me recite an incident connected with our advertising at that time. After our decision to take place in one of the trade journals, there was a question as to whether we would spend seven or eight dollars. And after the advertisement appeared we wanted immediate returns.

We paid forty dollars a month rent for the factory and our other operating expenses were in proportion. I had one employe. He swept out the factory and and helped me put on tires. I had to make a mighty big readjustment in my scale of personal living expenses for the first year. While earning a good salary in Detroit I had lived in a style that I was unable to maintain in my new place. To make ends meet, I could not pay more than $27.50 for house rent, and the grocery bill averaged less than $5 a week.

That was twenty years ago, but the memories of lessons learned in those days have lost none of their vividness because the present Firestone company has assets of well over $33,000,000, a surplus of $18,000,000, and will do more than $60,000,000 worth of business this year. The appearance of 13,000 workers at our factory every day now is not watched any more anxiously, and does not leave any greater impression, than the appearance of that lone employe back in Chicago two decades ago.

In 1899 I consolidated my business with the Rubber Tire Wheel Company. They had $200,000 in assets and my assets were $40,000. Later we sold out for $1,250,000.

Following the consolidation I became Chicago manager for the company. But I soon found that I could not agree with their fundamental policies and so I resigned.

I decided to take a few weeks' vacation on the farm. There I could lay my plans for the future with deliberation. After considerable thought I came to the conclusion that I would feel more satisfied, and therefore be able to make better progress, if had a business which I controlled personally and could manage as I saw fit.

I was offered a flattering position in the tire department of a large Akron corporation. Soon after I accepted I found that I had made a mistake in working for someone else instead of myself.

After considerable negotiating I prevailed upon the company to sell their tire department to me. For a time the company continued to manufacture my tires, but as competition became stronger I decided that I could do better by having a plant of my own. I had learned that it was impossible to continue having my tires made in a plant not entirely my own and make a reasonable profit.

A year later, in 1901, I bought an old foundry building, 75 by 100 feet, for which I paid $4,500. There was also another little building on the premises in which I established my office. I installed a second-hand engine, a second-hand calender, a rubber washer and two rubber mills, and started manufacturing my own carriage tires.

Economy in Small Things.

I learned to figure costs closely all the time and endeavored to know whether I was gaining or losing and how much and why. I made it my business to search for leaks and to stop those leaks before the profits could leak out. I learned to emphasize the value of a lead pencil and a sheet of paper for use in finding out definitely what were the actual facts, and steadfastly refused to fool myself with fancies about what I would have liked to have been facts. As an example of how closely I found it necessary to figure, I recall that I was paying a carpenter $2.25 a day to work around the place. I had to let him go because his wages increased the cost of my tires a cent a pound, which was more than I could afford.

In reviewing my experience during those years and considering the rocks I might have split on had I been less careful in my steering, it occurs to me that the reason for failures in the first year or two in business can usually be found to be one or two common causes:

(1) Lack of sufficient capital.

(2) Failures to keep expenses low enough to continue business on the capital you have.

The second cause is a common human weakness. Strong resolution and constant checking up of one's self is necessary to subdue it. Men get extravagant. They want to start big so they can make big profits immediately. They use all their energies to obtain a large capital and then become reckless.

A man new to business is very apt to overestimate the purchasing power of his capital. Even if he has what may seem a large sum it is surprising how quickly it will get all tied up in the business. Then the man at the head of the business needs more money and needs it badly. It doesn't come. The business doesn't balance and unless it is righted speedily it falls over.

How a Business "Eats Up" Fresh Capital

To maintain a business in balance is not easy. It is difficult for me, even to-day, to balance my business, I have recapitalized several times, and each time I have thought to myself:

"What shall I do with so much money? Almost before I realized it, the business had absorbed it. It is this feature of speedy absorption of capital that the experienced business man, as well as the man new to business, must watch. It is the common fault of the man new to business to underestimate the necessity for capital. He should realize this and should emphasize the fact to himself often enough to avoid unnecessary difficulties.

The most important fundamental asset of the man who would succeed in business is credit. With good credit to begin with, chances for ultimate success are better than with simply ready money, for good credit will enable a business man to solve the money problem and to establish a financial bulwark against the needs of the future.

When a man goes into business for himself he should lay his affairs before his banker. And when he needs more capital he should make a plain, honest statement of every detail to his banker, because the man is capable of being, financially speaking, his best friend.

Speculation and credit are poor company and soon fall out. Speculation is credit's arch enemy. It is also the enemy of business concentration and efficiency. It distracts a man and uses up his energy. It is detrimental to him as gambling of any kind.

My experience in speculation was relatively small and didn't last long, but it was enough to convince me of its mischievous tendencies.

I had $40,000 cash in a lump sum early in my business career. It seemed to me that it was as big as all the money in the world. I decided to take $5,000 and invest it in something that promised large, quick returns. I did so—and lost.

It was an excellent thing for me that I did lose it, because it prevented me from getting the speculative habit, which is bad for a man's business. While I was trying to make that $5,000 earn a large sum quickly, I was distracted from my work. I couldn't get either the morning or afternoon papers fast enough to keep myself fed with how my investment was going. Finally, I got an inside tip.

That was one of the very best lessons in business that I ever had. It taught me to beware of "inside tips" and to devote my energies to business of a kind in which I could in a measure, at least, control its destinies or know that its destinies were in capable hands.

Speculation didn't pay me, except in experience, and the average man will find in the long run that it won't pay him any better than it paid me. And he can take it direct and unadulerated that it won't help him with his banker if his banker finds it out.

Another rule that aids in maintaining credit is never to take the full amount offered you. In other words, if you have established a line of credit of $50,000, never use more than $40,000 of it. That gives you better standing.

Each year I would get my line of credit increased. I would settle with each bank annually, at the same time, re-establishing and enlarging my line of credit. I also made it a rule to keep a substantial balance in the bank. This was a wonderful help to me at times. Of course, it was hard the first year or two, but I stuck to it. No matter what the difficulties, a business man should never withdraw all his funds, leaving no bank balance.

PERSONAL

ANGUS CLAUDE MACDONELL, K.C., M.P., who has been appointed to one of the vacant seats in the Senate, is known in financial circles as a director of the Home Bank and the Dominion Permanent Loan company. He is head of the legal firm of Macdonell, Toronto, and has represented the South constituency in that city in the Commons since 1904.

ANDREW WEIR, now surveyor-general of supply at the British War Office, is almost unknown to the public. Few, indeed, know a great deal about the canny Scot from the "lang toon of Kirkcaldy." He is the head of a firm of Glasgow shipowners. They know him on the Clyde, of course, but even there they do not know much regarding his personality; yet now he is a member of the army council, and by his shrewd business methods, is helping to save Britain £1,000,000 a week, it is reported.

SIR ERIC GEDDES, the new First Lord of the Admiralty, is an officer who has had a wonderful experience in the nation's business since the war began. First he was in charge of British railway transport service in France until the arrival of General J. W. Stewart from British Columbia caused a new policy of construction to be adopted. Then Sir Eric returned to London as controller of the admiralty. He has had an interesting career. He was a lumberman in the Southern States of America; operated the Baltimore & Ohio Railway; was head of railways in India; and was assistant general manager of the Northeastern Railway of England till the outbreak of war.

DAVID OVIDE LESPERANCE, M.P., one of the new Senators recently appointed to swell the government majority in the upper chamber, is well known in financial and business circles throughout the province and the city of Quebec. He has been closely associated with Sir Rodolphe Forget in a number of business enterprises and is a director of the Quebec Railway, Light, Heat and Power company. He is president of Annable Blanger, Ltd., Montmagny; president, Cie de Publication de L'Evenement and a director of the Compagnie d'Exposition de Quebec. He resigned from the House of Commons a year or so ago because of ill-health. It is naturally expected that he will join the conscriptionist forces in the Senate.

LENDRUM McMEANS, K.C., recently elevated to a seat in the Canadian Senate is prominent in business affairs in Winnipeg and has played a considerable part in provincial politics. He is vice-president of the Sovereign Fire Assurance company and a director of the First national Realty company.

SIR CLIFFORD SIFTON, who has recently been much in the public eye in Canada, owing to his aggressive attitude towards national organization for war efficiency, is perhaps best known to Canadians because of his immigration policy, launched while he was Minister of the Interior, which was followed by a remarkable influx of settlers. In his political and public activities he has played a prominent part in the affairs of Western Canada. Not only was he made Minister of the Interior when called to the Federal Cabinet in 1896, but he was specially charged with matters relating to government of North West Territories and Yukon territory and all organized and outlying territories of the Dominion and introduced and carried through legislation, giving responsible government to the North West territories in 1898. His public career commenced in 1888 when he was first elected to the Legislative Assembly of Manitoba for North Brandon. Later he held the portfolios of Attorney-General and Minister of Education, in the Manitoba Government. He has acted as chairman of the Canadian Conservative Commission since 1909.

AMATEUR MUDDLING IN NATIONAL BUSINESS

United States Suffering From Reaction of Price Fixing and Poorly Planned Financing.

Special to THE FINANCIAL POST by Agnes C. Laut.

It has been one of the wonders and marvels of democracy since the Civil War that government seems to fall into the hands of second rate and third rate and no-rate-at-all types of men. When a big business venture is launched, money is no object. The only object is the quality, the force, the power, the ability of the man, who is to carry out the venture. Whatever it costs to get that man will be spent without regard to precedent. If the right man is landed, results will take care of themselves; the money spent will come back a hundred and a thousand fold. If the right man is not found, all the equipment in the world will not guarantee success. The Remington Arms Company is a good example of one extreme. The Bethlehem Steel Works are a good example of the other. Yet in the matter of governing the biggest republic on earth, this country invariably picks second raters, third raters and men of no rating at all, who could not make a living at any other job on earth except politics; and the hopeless muddle in which things are rapidly landing at Washington is not the result of graft but of our perennial sin of relegating public offices to the management of incompetent amateurs.

The Wall Street *Journal* characterizes the present state of affairs as "suspended animation"; and the "suspended animation" at Washington is reacting on every industry in the country in a way that will presently produce a brain storm. The experts are at work, yes; but they have reached the point where they can go no further because of the hampering conditions being imposed on them by the people's elected rulers in Congress. We have been at War for four months and we have not built a ship. We have requisitioned and commandeered, yes. We have requisitioned and commandeered what big business had already produced; but we have not produced one ship for our own war use. We have been at war four months and we have not produced an areoplane. Here, we have requisitioned and commandeered, too; but we have not begun to produce aeroplanes for our war service because though the experts have asked $640 millions for the service, the Senate and the House have talked and talked, till if their windbag could be used "to gas" the Germans, all the Kaiser's subjects would suspend animation. Goethals has ordered a certain shipping fleet; but somebody has not signed the contracts. The submarine yards are ready and waiting; but somebody has not signed another contract. The farmers were induced to raise big crops to save the world from starvation; and the senators have "gas-sed and gas-sed" on the Food Bill, till it is a question if the filibusters of trade will not have pre-empted all the surplus food before Hoover has been given authority to revise the system of food distribution. Certainly, this country will not have an adequate merchant fleet to carry that food to Europe this fall. The Allies will have to handle that transportation.

Waves of Reaction.

I have already described the reaction of government price fixing on copper and steel. Now the reaction is beginning to run out in ever widening waves to all other industries. Take the matter of commandeering billets and sheets of steel for government manufacture. The big steel men some two months ago received orders from the government to reserve certain quantities of both for public war use; and they obeyed orders gladly. Then, the question of prices came up and high speed production, which means highest wages—only 10 per cent. profits above overhead was to be allowed. The manufacturers bowed gladly to that regulation also. Then came a tax on surplus profits. Good! The manufacturers could grin now; for if only 10 per cent. above overhead was to be charged the government and highest wages and highest speed were to be maintained, where would the excess profits come from? Evidently from the high prices still to be charged—which the government expected would be charged, otherwise it would not have levied a surplus profit tax—evidently those big surplus profits were to come from the high prices still to be charged the general trade. Then, finally, the intimation from Washington that higher prices must not be charged the general trade than were being charged the government.

Dilemma of the Manufacturers.

At this stage, the manufacturers didn't grin. It is an even guess they swore—softly and under breath; for anything else would have been treason in time of war; but certain it is, one thing they did do—they stopped. They stopped billing orders ahead. They stopped buying raw material. Copper slumped seven cents a pound. They stopped expanding their plants. Building bricks and cements also slumped. They also stopped filling orders for trade customers; for there were those huge quantities of billets and blooms and sheets—or whatever you call them—of steel commandeered to be reserved for the government, and not yet taken over. No steel man dared to manufacture more than trade demands for fear wages and raw materials would still further slump, for fear the government would not take what it had reserved; and the big ship companies coming along for steel, the big motor factories, the big implement houses, came on hands and knees begging orders to be filled, which the steel men cannot fill for fear of having an enormous quantity of high priced stuff left over. Now steel may be a very small part of a motor, but it is an essential part. In a standardized industry like motors or ship building, 10,000 general workers may be tied up stamping and champing because only 10 men of those 10,000 cannot get the steel for an essential part.

Now do not think for one moment that there have not been enormous profits at the expense of the general public. Milk has been jacked up 2 cents a quart in 18 months against the consumer, while dividends of 20 to 40 per cent. have been paid on watered stock owing to war profits from shipments of canned milk to the front. Likewise of the packers. The last two years have been hard years on the beef feeders; but they have been golden years to the packers; but the point is, where these inequalities could have been regulated by a Food Distribution Bill—such as Hoover planned—the legislators talked such a bill into a useless hash, and clapped the screws on the metal manufacturers, who were between the devil and the deep sea owing to rejections before the United States went into the War, and are now many of them closer to financial smash than the world will know till after the War.

Muddling the Loan.

Or take the amateur muddling on the loan! I have told how the loan at first nearly failed, how the government called on the banks and bonding houses and factories and departmental stores to get out with their sleeves rolled up "to boost" the loan, and how the loan "boosted up" to $800 millions more than was called. All right! Now "the tumult and the shouting dies"—only the bankers know what really happened under the surface. The bankers slept in their boots while the loan was on and have only recovered from "the jumps" now. It need scarcely be told that $2 billions could not suddenly be called out of savings and other investments, and suddenly centralize in a few hands without a fearful tightening through the country. Call money jumped! Men suddenly found they could not get banking accommodation. Little banks suddenly found that if some fool started a run on the bank, there was not enough on hand to stem collapse; and a shiver went up the bank spine. What the bankers said was—"Well, let them try that on another loan." Then some of the big fellows saw what was causing the sudden tightening of money and poked the amateur financiers in the ribs. Things bobbed upright again, the money was assigned more widely on deposit all through the country, but not before all the little banks had been antagonized to future loans, not before the building trade had been knocked into a cocked hat, not before the hostility of every big industrial operator had been blown to a flame.

Not much has been said. It has been deadly quiet, but unless the peace comes on which Wilson has been justifying his delays, there will be a storm that will disrupt his own cabinet family. I know of a powerful organ that only delayed the exposure of the incompetency of four supernumeraries because assured that impending peace would presently justify their seeming delays.

Meanwhile, the manufacturers are sitting on a volcano; and it is a good thing that even a volcano has its funny side. Right in the midst of this public mood, the suffragist pickets got themselves arrested in front of the White House; and instead of howling derision at them as would have happened under any other circumstances, the country rose on its hind legs to a man and shouted—"Good sports! Do it again! Give him some more!"

And the ladies refused to pay their fine and went to goal and ate with negress criminals at a common goal table. Some of these suffragist prisoners were relatives of the Cabinet. The consternation of the government is one of the funniest things that has happened in Washington for a long time.

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MONTREAL

THE SERIOUSNESS OF THE HYDRO SITUATION

Consequenees of Beck's Recklessness May be Serious if Privy Council Upholds the Rights of the Investors.

In last week's issue it was stated that the Imperial Privy Council had granted leave to the Electrical Development Company to appeal against the decision of the Ontario courts denying the company the right to proceed against the Attorney-General of the Province and the Hydro-Electric Commission with regard to the contemplated Chippewa power development. We have since been asked to state clearly what the issues are in the action and what interests are affected. THE POST recently reprinted in pamphlet form a series of articles on the subject, written by Professor James Mavor. These are available for those who are seeking information, and will be forwarded on request.

The action of the Electrical Development Company was brought for an injunction to restrain the Hydro-Electric Commission and the Government of the Province of Ontario from taking water from the Niagara or Welland Rivers (Chippewa River) for the purpose of generating electrical power, on the ground that the original franchise given by the Government to the company contained the stipulation that the Government itself would never take water from these rivers to compete against the company; the clause in the agreement reads as follows:

"16. The Commissioners of Queen Victoria Niagara Falls Park (the Government of the Province of Ontario) will not themselves engage in making use of the water to generate electric, pneumatic or other power except for the purposes of the Park. . . .

The Government has received large sums of money as rental for the franchise rights, and the company claims when the franchise was granted and the rent was fixed at approximately $125,000 a year, that it was pointed out that the company would be unable to pay this rent should there be any Government competition, and the clause above referred to was inserted in order to protect the company in this respect.

Company's Contentions.

The Electrical Development Company points out that in the case of an individual, an injunction would promptly be granted to prevent the breach of contract, but when a writ was issued against the Government and the Commission, the latter took refuge under the provisions of an act passed by the Government itself, which provided that no action could be brought against the Hydro-Electric Commission except upon the consent and fiat granted by the Attorney-General, and the company was refused the consent and the fiat, and the writ of summons was set aside, and the action dismissed out of the courts without any hearing whatever; the company also claims that the Provincial Government has no power to close the courts and to prevent the hearing of the case, and that the act of Parliament is unconstitutional, and they also ask to have the rights of the parties in respect of all these matters fully declared according to law and justice.

In case it is held that the covenant given by the Government in the franchise is legal and binding, it would necessarily follow that the Hydro-Electric Commission could not use the waters of the Niagara or Welland Rivers to generate electrical power in competition with the company, and it would seem that this would apply as much to the taking of the water through the works of the Ontario Power Company as in any other way.

Sir Adam Beck has on hand the following undertakings:

1. The present Hydro-Electric Commission System, involving the distribution of about 150,000 horsepower, and an expenditure of $25,000,000.
2. The taking over of the Ontario Power Company Plant and the generation of electrical power from the waters of the Niagara River, and the distribution of the power to customers on the American side at Lockport, Syracuse, Utica and many other places, and to the customers of the Company on the Canadian side, at a cost of about $25,000,000.
3. The construction of the Chippewa Power Plant to take water from the Welland or Chippewa River, developing 500,000 or 600,000 horsepower, at a cost of not less than $30,000,000.
4. The building and operation of a Radial Railway System throughout the Niagara Peninsula and some of the eastern counties of the Province of Ontario, involving the expenditure of approximately $100,000,000.

All of these plans are interdependent, and must all of them co-operate together in order to achieve success, the failure of any one of these may involve the failure of all; the ratepayers of all of the municipalities interested are directly responsible for these huge expenditures, and, beyond that, the ratepayers of the province are giving their guarantee, and they also are liable for the whole amount, the government of the province of Ontario guaranteeing all of the bonds and securities.

It is pretty certain that there is nobody in the government or in the country who is fully informed regarding all these matters except Sir Adam Beck himself, and we take this opportunity of saying again what we have repeatedly urged, that an independent commission of engineers should be appointed forthwith to investigate the whole subject before it is too late, and, in the meantime, all construction work and other proceedings should be stayed during the War and pending the decision of the courts.

SHOULD PUBLISH THE FACTS.

Confusing Statements as to Activities of Foe Submarines Mislead the People.

THE FINANCIAL POST has contended that the opposition to conscription in Canada has been largely due to the fact that the people are ignorant of the real and serious situation which Canada, the Empire and our Allies are facing; we have advocated that the Governments at Ottawa and London should be candid with the public in presenting the actual facts. In support of the attitude we have taken, we find a strong editorial in the New York Sun pointing out that the seriousness of the submarine situation has not been realized because the facts have not been clearly and intelligently presented, and for this reason proper steps have not been taken to meet the situation. This editorial has aroused considerable comment, it being contended that it was inspired by Lord Northcliffe, and one paper has expressed the opinion that the business agent of the British Government in the United States should be recalled because of the freedom of expression indicated.

The war under the sea being now the war in its most acute and threatening shape, this slowness of the nation to grasp its significance is deplorable and even dangerous. But it is not entirely it is not, in our judgment, even chiefly, the fault of this nation that it does not yet clearly understand the facts. The fault lies in the main with those who have refused to put the facts clearly and intelligibly before us.

The British Admiralty has for a long time published, not the amount of tonnage lost weekly or fortnightly, but only the number of ships destroyed. To ninety-nine people out of every hundred the numbers convey no information at all. Worse than that; they positively mislead.

The submarine danger can be diminished if we choose to take it in hand vigorously in conjunction with our allies. The ocean can be made safer for our shipping. But no evil can be remedied until it is realized. Because the British Admiralty does not publish losses in a manner that could be understood by the people, this submarine evil has not yet been realized. It is at this moment the one vitally important aspect of the war. This is an effort which can be countered and brought to confusion, but not without throwing all our strength and ingenuity into the fight. We shall not be brought to the point of putting up that fight with the necessary vigor until we are told just exactly what the submarines are doing.

Those who watch events closely know that they are sinking some 600,000 tons of British shipping every month. They know that in addition the U-boats destroy in each four weeks something like another 400,000 tons belonging to allied and to neutral countries. They know the Norwegian mercantile marine has been almost swept off the sea. But the mass of people are still unaware of the meaning of what they read about submarine activity. They believe vaguely that "it isn't as bad as it might be," or as bad as the Germans hoped it would be. They do not see that they need bestir themselves and stir up the Government to more energetic action. The way to make them see this is to hang the facts before their eyes and force them to take notice, to keep prodding them until they are wide awake. Lord Robert Cecil, British Blockade Minister, told the House of Commons on Friday that "all the anti-U-boat help we can have is needed and will help to bring about more quickly a decisive peace." The United States can give a great deal of help as soon as its urgent necessity is brought home to the American people. Let the British Admiralty discharge a weekly information torpedo at the American people. Then they will know what to do.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

CROWN LIFE.

Insured, Hamilton.—If you have any information as to how the Crown Life Insurance Co. is doing at present, I should be glad to have it.

The principal item of information about the company is that the half-yearly dividend, payable July 1, was passed this year. We also understand that the directors have foregone their customary fees for the past year and a half. Both actions have been taken in the interests of conservation. In common with other life companies, the Crown Life is finding the burden of meeting war claims increasingly heavy, and in order to husband its cash resources, has been saving in these directions. Business this year is reported to be well ahead of last year, and a substantial increase to premium income may be anticipated. This will help to make up for the larger requirements for death claims.

The company's 1916 figures showed a fairly satisfactory state of affairs. There was a gain of nearly $2,000,000 in insurance in force; assets increased from $1,841,973 to $1,993,164, and net premium income from $373,620 to $432,987. On the other hand to meet the increased insurance in force, the reserve had to be enlarged from $1,519,467 to $1,721,057, which, with slightly larger unsettled claims, etc., reduced the surplus of assets over liabilities from $229,426 to $167,946. Payments to policyholders were increased from $120,132 to $158,420, and total cash expenditures from $300,341 to $375,331. The excess of income over expenditure was $144,658, as against $139,137 for 1915.

WESTERN LIFE.

Inquirer, Alberta.—"I enclose herewith a pamphlet from the Western Life Assurance Company and would kindly ask you to give me your opinion as to the standing of this company."

The Western Life's showing at the close of 1916, as disclosed in the annual statement presented to shareholders and policyholders, must be regarded as quite satisfactory when it is remembered that the company has only completed its fifth year. With business in force of over $1,500,000; with new business and revivals for the year of little less than $500,000; and with income from premiums and interest on investments sufficient to meet payments to policyholders and expenses of management, the progress of the company is creditable. The company commenced last month to operate under a Dominion charter and a program of expansion has been laid down which should lead to important results during the current year. The task of building up any life company is naturally a slow process. It is not so easy to secure business for a new company as for an established company, and expenses of management are proportionately heavier. All these considerations must be borne in mind when an investment in the stock of a young company is contemplated. We believe that the Western Life is advancing quite as rapidly as could be expected towards a position of strength and stability.

CANADIAN LOCOMOTIVE.

T. G. M., Quebec.—Would be pleased to have any information and your views regarding the Canadian Locomotive situation in relation to the common stock.

Recent developments regarding the affairs of this company which have been reviewed during the past couple of weeks should form a fairly comprehensive answer to your question. The announcement that the stock had been placed on a 6 per cent. basis was quite evidently discounted in the trading in the previous few days when the price advanced from 57 to 64. Following the announcement there was some realizing and a slight reaction to be followed by further evidence of strength. The fact that the dividend declaration was made at this particular time, some weeks in advance of the annual meeting, when it was expected that the matter would be considered, would seem to indicate that the present controlling interests had been influenced by the opposition campaign launched by M. F. Haney and Sir Henry Pellatt. However, there is now a debatable question as to whether this campaign indicates a serious effort to unseat the present controlling interests or whether it was merely engineered to obtain the results already indicated—that is dividend action. Considering the conditions which have been prevailing in the steel industry it may be considered that the company has been following a conservative course. It may be that this policy has not appealed to other large shareholders and that they propose some broader field of activity but whether this would mean taking up two new lines or amalgamating with other undertakings is not indicated. The present administration believes in devoting the bulk of its capacity to the manufacture of locomotives on the ground that they see a future market for this product while other ventures face an uncertain market when the war is over. Under such circumstances and considering the attitude of the present management—that it will step down in the event of certain changes in the board—a change would appear to be a matter of doubtful advantage.

Current Opinion

GASOLINE IN WAR TIME.

Wall Street *Journal.*

Not all of our superabundant national talent for useless discussion flowers in Washington. An officer of the Standard Oil Co., speaking as chairman of the committee on petroleum of the Advisory Commission of the Council of National Defense, warns the country as impressively as he can that it must cease wasting gasoline if it hopes to win the war. Immediately the "manager of the touring bureau" of the American Automobile Association feels an irresistible impulse to resist this obviously sensible and necessary admonition.

Such folly is almost criminal in its possibilities. No issue is raised over the supply of gasoline, the inadequacy of which to cover both the purposes of war and the ordinary consumption of summer touring and short distance pleasure driving is tacitly admitted. We need an enormous quantity of liquid fuel for military uses, but the owners of 3,500,000 passenger cars must not be asked, merely because the Nation is at war, to deprive themselves of any part of their usual recreations. Let us handicap our troops in the field and ambulances that salvage their broken bodies rather than deprive the innkeepers of the White Mountains of the season's profits. Sacrifice is all right for the men who go overseas and for the families they leave behind, but the man who cannot or does not fight must be protected in his enjoyment of all the luxuries of peace.

In every other country at war the private use of gasoline has been put under the severest restrictions which military forces can impose. To be sure, it is not with us, a matter of ocean transportation. We make gasoline at home. But Mr. Bedford has pointed out that already we are using up the stock on hand, consumption having overtaken production, while the drilling of the new "holes" more rapidly than ever before has afforded no increase in the flow of crude oil.

How heartily the Reventlows and Tirpitzes must laugh if they get the opportunity to read that there are Americans who put the profits of hotelkeepers and the recreation of motor owners above the business of making war. With what zest must they renew their assurances to the German people that the Americans won't fight.

And after all, are they wholly illogical to draw that inference? We are still debating the nature and dimensions of the ships that we intend to build to carry out troops and feed the Allies. Steel magnates have boasted that they would turn the productivity of their plants over to the Government the moment it entered the war—and we are buying artillery from the French.

NEW ISSUE

$50,000

UNITED COUNTIES PRESCOTT & RUSSELL

(ONTARIO)

6% Coupon Bonds

Dated June 19th, 1917. Due June 19th, 1918-1937.

Assessed Value	$16,542,000
Debenture Debt	98,000
Municipal Assets	140,000

Full particulars on request.

Price: Rate to Yield 5.70%

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Investors' Information Bureau

Any subscriber to The Post may write the Investors' Information Bureau for special information on any Canadian security, or other financial matter in which he may be interested. Inquiries are treated confidentially, and answered by mail.

This service is free to subscribers, but inquirers should enclose stamp [for re]ply.

Col. MacLean was in Germany When War Broke Out

HOW he got out, what he saw, heard, learned and concluded, he tells in the August number of MACLEAN'S MAGAZINE. Colonel MacLean knows Europe thoroughly. He knows high-up men in all the great political and commercial capitals of Europe—diplomats, bankers and great merchants. These men told him freely and plainly many startling things about Germany and her intentions.

In a contribution of truly sensational interest, abounding in most startling facts, Colonel MacLean points out "The Dangers Ahead." His aim is to arouse Canadians out of their unwarranted confidence and out of their content. You will find in this article by Colonel MacLean strange, even shocking revelations, and things hard to believe—and you ought to read "The Dangers Ahead" in order that you may help in their avoidment by Canada and her people.

MacLean's for August Is a Midsummer Number

The August MACLEAN'S is excellently balanced, as you will see from these contents:

CONTENTS

The Dangers Ahead. By John Bayne MacLean.
The Menace of Canadian Titles. By Joseph Martin, M.P.P.
Rev. C. A. Eaton—A Canadian Who Speaks Out. By Beatrice Redpath.
Frenzied Fiction for the Dog Days—(Done by the Dipperful). By Stephen Leacock.
The Human Side of Conscription. By H. F. Gadsby.
Winning the War in the Air. By Agnes C. Laut.
A Circus Story. By L. B. Yates.
Mam'selle Butterfly. By Arthur Beverly Baxter.
The Captain of the Susan Drew. By Jack London.
An Andy Doolin Yarn. By Hopkins Moorhouse.
A Detective Story. By Robert E. Pinkerton.
The Gun Brand. By Jas. B. Hendryx.
Canada's First Woman Member.
Economy in Preserving and Canning.
Women and Their Work—A New Department. Review of Reviews—Regular Department.

YATES who writes the Circus Story, was born in Hamilton. He wrote those stories about Paragon Pete and The Singin' Kid in the Saturday Evening Post.

LEACOCK is excessively humorous in his Dog Days Sketch, in which he talks about summering and simmering.

MISS LAUT fancies that the war may be won by the birdmen, and if Uncle Sam produces 100,000 planes, she may be right.

GADSBY sits in the Press Gallery at Ottawa, and writes brilliantly always. His "Conscription" article is in order.

PINKERTON, who writes the detective story, "Old Twilight," knows how to write this class of story.

By the way, Lord Northcliffe has promised an article for the September MACLEAN'S.

You can see that MACLEAN'S for August is just the right type for August.

At All News-Dealers
15 Cents

NEWS OF THE BOND MARKET

NEXT DOMESTIC LOAN NOT TILL THE NEW YEAR

This is the General Belief of the Canadian Bond Market.

A BETTER TONE PREVAILS

Opportunity Will Be Given to Clean Up Loose Ends and Prepare for the Forthcoming Issue.

A fair volume of business is reported by Canadian bond houses this week. Though it is usually the dullest time of the year in the bond market, offerings have become so attractive that buying is not hard to stimulate. We have, for example, the spectacle of city of London five-year bonds selling at a 6% rate. This is an abnormally low price and buyers have been readily attracted. Other recent purchases are also being put out at such attractive figures that demand has been noticeably quickened. War loan bonds continue to show strength, an indication that the investing public is coming to a realization of the intrinsic merits of these securities. The market looks to see the third loan bonds approach the issue price before long. New municipal issues forthcoming are now very limited in number and a good opportunity will be afforded for bond houses to clear up the loose ends of their business before the fourth loan is announced.

The conviction seems to be gaining ground that there will not be another domestic loan this year. At first, it was believed in some quarters that the successful flotation of a loan in the United States would be no assurance that domestic financing could be deferred. This view, however, is now pretty well dissipated. If more money is required this fall, the possibility of arranging a supplementary loan in New York is suggested and, once having drawn from this market, it should not be difficult for Canada to secure permission to borrow again.

The belief that there will not be another domestic loan until the new year is already exerting a favorable influence on the market. The tone is better, even though prices have given no indication of stiffening. Already steps are being taken to float issues which have hung fire for some time back and, while low prices are bound to prevail, the absorptive power of the market seems to be increasing. Money, which would otherwise be conserved for war loan purposes, may now be invested in these new issues at most attractive levels.

Londons At Six.

One of the surprises of the week was the announcement on Thursday that Wood, Gundy & Co. and A. E. Ames & Co. had secured an issue of City of London bonds, which they were prepared to offer at a price to yield 6%. The issue consisted of $760,000, 5½% coupon gold bonds, dated August 1 and maturing in five years. At a 6% rate, this sale established a new level of values for Ontario city bonds. The shortness of the term proved an attractive feature in that it suited the requirements of many investors. The issue was absorbed very quickly, as might have been expected.

The Chatham Sale.

An issue of $60,000, 5½% public school debentures of the city of Chatham, running for 20 years, was awarded on Tuesday to the bond house of Mulholland, Bird & Graham at 95.26. These bonds, like those of the city of London, have commanded a ready demand and have sold rapidly. Following is a partial list of the bids received by the municipality:—

Mulholland, Bird & Graham	95.26
Brent, Noxon & Co.	95.24
Macdonald, Bullock & Co.	95.16
R. C. Matthews & Co.	95.10
G. A. Stimson & Co.	95.01
Canada Bond Corporation	94.47
A. E. Ames & Co.	94.01

Other Recent Sales

The village of New Toronto's issue of $50,000 6%, 30-year debentures, up for sale last Friday, was awarded to C. H. Burgess & Co., who have bought most of the recent issues of this municipality. The sale price was 98. A. E. Ames & Co. bid 97.50 and Macdonald, Bullock & Co., 96.50.

Macdonald, Bullock & Co. have completed the purchase of $9,500, 5%, 30-instalment debentures of the town of Trenton.

The original sale of Greater Winnipeg Water District bonds in July amounted to $2,000,000. Since then the syndicate handling the bonds have taken up an additional $2,000,000, making $4,000,000 in all.

LOCAL SALES

High Price of Money Leads Municipalities to Borrow at Home.

It is one of the significant developments of the day that Canadian municipalities should be appealing for needed funds to local investors. There has always been a certain amount of local borrowing in evidence and some few towns and cities have made quite a success of the scheme but it is safe to say than never before has this method of disposing of bonds reached quite the proportions of the present movement.

To be successful, a great deal of personal effort is needed. In the case of Ingersoll, referred to last week, it required the time of the mayor, two councillors and the town clerk for an entire week to complete the sale. Such a sacrifice is seldom possible and is not to be expected from the average municipal officer. Doubtless the same end could be secured, at very little extra cost, if the municipality were to secure the services of one of the bond houses. An arrangement could be entered into for handling the bonds locally on commission or otherwise that would save the time of the officials and, as the salesmen employed are usually experts, an even greater degree of success might be obtained from their efforts.

The city of St. Thomas is at present advertising a sale of $39,700 5½ per cent. patriotic fund debentures, which are offered in amounts of $100 and upwards and for any term, from one to ten years.

The town of Oshawa recently offered a small lot of debentures to local investors.

Brockville is another municipality which is undertaking a local sale of debentures. An issue of $28,000 of 5½% debentures, due in 1922, is being offered to local subscribers in denominations from $100 to $1,000 at par.

BORROWING PROPOSED

Grain Growers' Grain Co. Will Ask Shareholders for Wide Powers.

Directors of the Grain Growers' Grain Company will ask the shareholders at a special meeting to be held in Winnipeg on August 15, for authority to raise $15,000,000 by mortgaging property and by bond issues and to approve plans for the amalgamation of the company with the Alberta Farmers' Co-operative Elevator company.

The request for the sanctioning of such enormous borrowing powers is taken to indicate plans for a wide-spread extension of the company's activities in grain handling and in co-operative selling throughout the west.

It is proposed that $10,000,000 may be borrowed upon mortgage and $5,000,000 on bonds, debentures or other securities of the company.

Shareholders will also be asked to vote upon the abolition of proxy voting and upon an enlargement of the board of directors from 9 to 12.

The title under which the amalgamated companies will operate will be the United Grain Growers, Limited.

A HOTEL ISSUE.

Renfrew Citizens Subscribe to $25,000 Local Hotel Bonds.

Perhaps the most outstanding example of a citizen's hotel in Canada is Hotel Renfrew, which was put up by citizens of Renfrew, Ont., a few years ago and which has since proved a great success. So successful, in fact, has Hotel Renfrew been that an enlargement has become necessary. To finance the addition, about $25,000 was needed. A bond issue was decided on and, through the instrumentality of two public-spirited citizens, the whole issue has been placed locally in record time.

CANADIAN BOND.

Earnings for the Year 7.8 Per Cent. —5 Per Cent. Paid.

The fifth annual statement of the Canadian Bond and Mortgage Corporation, for the year ending April 30th, showed profits of approximately $34,000, or 7.8 per cent. on the $435,362 of paid-up capital. Of this, 5 per cent. or approximately $21,700 was paid out in dividends, leaving to be carried forward to profit and loss about $12,300. The total surplus available in the account referred to now amounts to $51,128, according to the balance sheet. The total assets now amount to $491,791, of which $471,008 has been invested in mortgages.

Interest collections for the year represented 87 per cent. of the charges under that head, according to the report of President J. C. McGavin, who explains that the unpaid amount represents largely those who were hailed or rusted out last year, or men who have enlisted. The President states further that interest rates have been practically the same as last year, and that, despite a noticeable difficulty in obtaining first-class loans, the applications accepted by the company have been as good, if not better, than in any former year.

MONTREAL HAS TO FACE HEAVY OBLIGATION

Treasury Bills and Bonds to Large Amount Mature This Fall.

HUGE FIXED CHARGES

Of Four Millions of Revenue, Five Millions Are Required to Meet the Interest on the Debt.

The Montreal Star continues its campaign to rouse the citizens to a realization of the serious condition of the civic finances. Just now it is pointing out the extent of the obligations falling due this year. This includes $2,000,000 treasury bills maturing October 16; $500,000 bills maturing October 30; $1,000,000 bills maturing November 13 and $6,900,000, three-year bonds due in December.

Of the treasury bills, $500,000 represents the advance made by the Bank of Montreal as accommodation pending the floating of the $1,400,000 loan. It was authorized by amendment of the Charter at the last session of the Legislature to meet this year's deficit. In other words to meet the current needs of administering the city, there was resort to the strange financial expedient of securing authority to float a loan.

It is regarded at the City Hall as certain that taxes will have to be raised, says the Star. The Mayor is understood to be formulating a scheme whereby, in addition to the tax of one per cent. on immoveable property, there will be a tax on moveables—as well as a tax on the contents of the house. There is also a movement in favor of increased property tax and the levying of a special tax on all citizens.

Big Debt to Blame.

It is the enormous debt of Montreal which is primarily responsible for the difficulty. This year, out of fourteen millions in revenue, (including the $1,400,000 and two millions in school taxes which have to be handed over to the boards of school commissioners), no less than $5,043,587 has to go to meet interest on the city debt. Little more than seven millions is left to administer the whole of the city. Of that seven millions, roughly four millions go in salaries; and about two millions of that four go to the police and fire departments which cannot well be reduced to any extent.

It has been estimated at the City Hall that the total debt of the city, various school boards and the Catholic churches which have a charge on property, amounts to no less than twenty per cent. of the assessed valuation. The total debt of the city alone is about fifteen per cent. while the average of cities in North America is about seven or eight per cent.

RETIRES BONDS.

City of Nelson, B.C., Has Just Paid Off First Bond Issue.

A most interesting event as affecting the civic life of the City of Nelson has just happened when the city's first issue of debentures of July 15, 1897, and amounting to $50,000, has been retired. The bonds were issued soon after the city received its incorporation, when the late John Houston was mayor. The financial officials of the city have been careful in providing sufficient moneys in sinking fund to meet the obligation when it became due. During the next five or six years various other debenture issues will become due and provision is being made for their prompt retirement.

FUEL YARD FOR HALIFAX.

Board of Control Authorizes City to Establish Such a Yard.

The people of Halifax are groaning under a price of $15 per ton for hard coal and $8.25 for bituminous. Mayor Martin thinks coal can be sold lower and he was the means of having a bill passed through the legislature authorizing any city or town in the Province to establish a civic fuel yard. Halifax is now to have one. A resolution passed by the Board of Control, submitted to the City Council, authorizes the city to open its own fuel yard, and an order has been placed for a sufficient quantity of hard and soft coal to take care of the requirements of civic institutions. It is probable that there will be an additional amount offered to citizens at prices materially lower than at present in Halifax. There will be some regulation to the effect that only a ton can be delivered to any one person, as the supply for citizens is not intended for the larger users of fuel. It is thought that a saving of about $2,000 will be made for the city institutions by the civic system.

R. C. Matthews & Co.

Government and Municipal Bonds

C.P.R. BUILDING
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City of St. Catharines

GOLD BONDS

To Yield 5¾%

Particulars on Application

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One of the best AUTHORIZED investments for TRUST FUNDS is our

5% DEBENTURE

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Reserve - -	685,902.02
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VICTORIA REGINA CALGARY
VANCOUVER EDMONTON
LONDON, ENG. EDINBURGH, SCOT

DEBENTURES FOR SALE.

$30,000.00

City of Rossland, B.C.

SCHOOL DEBENTURES

SEALED Tenders, marked "Tenders for Debentures," will be received by the undersigned up to 5 p.m. on Tuesday, August 14th, 1917, for $30,000.00 City of Rossland, British Columbia, School Debentures. Debentures will be for 20 years, bearing 6% interest. Principal payable at end of term. Interest coupons will be attached. Denominations $500.00. Interest payable half-yearly, March 1st and September 1st. Principal and interest payable Bank of British North America, Rossland, B.C.; Toronto, Ont.; New York, U.S.A., and London, England. Debentures bear interest from March 1st, 1917. Issue will bear Certificate of Provincial Municipal Inspector of British Columbia.

The highest or any tender not necessarily accepted.

J. A. McLEOD, City Clerk.

Town of Kenora

Debentures for Sale

SEALED tenders addressed to the undersigned will be received on Aug. 27, for $13,949.79 Consolidated Debt Debentures bearing interest at 6% payable half-yearly on June 30 and Dec. 31, and maturing Dec. 31, 1953. Interest payable at Imperial Bank, Kenora. The Council reserves the right to reject all tenders.

J. E. CURRIE,
Treasurer

NEW BRUNSWICK

Province Last Month Sold $500,000 Bonds to St. John House.

The New Brunswick government received 95 for its recent issue of $500,000, 5 per cent. 20-year bonds, which were authorized at the last session of the legislature. The purchasers were J. M. Robinson & Sons, St. John, who are now offering the bonds to the public at 98. The proceeds of the issue are to be applied to road work and bridge construction and repairs. With Dominion 5 per cent. 20-year bonds selling at 95, a price of 98 is a remarkably good one and speaks well for the high esteem in which the bonds of the province are held by local investors.

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6% Bonds Suitable for Trust Funds or for Permanent Investment

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263 St. James St., Montreal

Correspondence Solicited

Canada Permanent Mortgage Corporation

Toronto Street, - Toronto

Established 1855.
Paid-up Capital - - $6,000,000.00
Reserve Fund (earned) - 5,000,000.00
Investments - - - 32,264,782.81

DEPOSITS

The Corporation is a
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Every facility is afforded Depositors. Deposits may be made and withdrawn by mail with perfect convenience. Deposits of one dollar and upwards are welcomed. Interest at

Three and One-Half Per Cent

per annum is credited and compounded twice a year.

DEBENTURES

For sums of one hundred dollars and upwards we issue Debentures bearing a special rate of interest, for which coupons payable half-yearly are attached. They may be made payable in one or more years, as desired. They are a

LEGAL INVESTMENT FOR TRUST FUNDS

FIELD OF MUNICIPAL FINANCE

TAXES BEING BETTER MET THIS SEASON

Toronto's Experience Shows Decided Improvement Over 1916.

NEARLY A FIVE P.C. GAIN

Policy of Collecting First Instalment a Month Earlier Has Meant Saving of $40,000 in Interest.

It is always sound policy to keep the public posted on public affairs. Even matters seemingly of the most commonplace and routine character are often of value. For instance, the city of Toronto recently collected the first instalment of its 1917 taxes. Ordinarily this event would be passed over as of very little popular interest, taxpaying being a necessary evil and the less said about it the better. But, notwithstanding the apparent barrenness of the subject, City Treasurer Bradshaw has been at pains to issue a report and to show just how the city has been advantaged by certain changes in methods, etc.

It is pointed out that by making the first collection in June instead of in July, approximately $40,000 in interest charges, was saved to the taxpayers. So far as is known the earlier collection was made with practically no inconvenience to the taxpayers.

The payment of business and income taxes was, for the first time, called for with the first instalment. The plan has worked out so satisfactorily that it should be regarded as an established custom.

Some criticism, made during the period of collection, of the inconvenience caused by the closing of branch offices that had been opened in previous years to accommodate residents of outlying districts, was met by the statement that less than 5 per cent. of the total taxes had been collected in these offices and that by concentrating the entire staff at the city hall, much better general service was rendered.

Much Larger Amount

City Treasurer Bradshaw supplies figures showing that this year 55.07% of the gross taxes collectable were paid with the first instalment. That this is a most satisfactory result is apparent when comparison is made with the 1916 result. In that year the amount paid at the due date of the first instalment was only 50.10% of the whole, giving a percentage increase for 1917 of nearly 5%.

Gross taxes collectable this year amount to $16,929,321, of which $7,882,078 were due on June 29. The amount received was $9, 323,550 or $1,441,472 in excess of the amount represented by the first instalment.

Tax arrears, up to and including 1916, amount to $2,167,958. It is pointed out that these arrearages represent moneys which were appropriated for current expenditure in the estimates of 1916 and previous years. Although not received they have all long since being paid out, the city having had to borrow funds therefor at the current rate of interest.

BANK LOANS GROW.

Dependence of Municipalities on Their Bankers More Apparent.

The difficulty which Canadian municipalitites are experiencing in floating their bond issues is reflected to a certain extent in the volume of loans to municipalities and school boards by the chartered banks. There has been a steady expansion in this item. Thus at the end of April the amount thus advanced was $35,931,991; at the end of May $39,790,191, and at the end of June $42,757,673. The collection of taxes usually carried on during the summer months, should begin to have some effect on this total during the present month.

AN INGENIOUS SCHEME

How Mayor Todd of Victoria Proposes to Deal With Tax Arrears.

Mayor Todd of Victoria, B.C., has presented to council a detailed plan for dealing with the city's tax arrears. In brief, he proposes to hold a tax sale on October 25 of all properties in arrears of taxes before and up till the end of 1913 and a tax sale annually thereafter. In the meantime delinquent taxpayers may enter into an alleviating agreement with the city whereby, having paid all taxes from June 30, 1917 and each year thereafter, they will be allowed ten years in which to pay up arrears due before June 30, 1917. Penalties are imposed for failure to live up to the agreement culminating in a transfer of the property to the city.

Commenting on Mayor Todd's scheme, the Daily Colonist says:—

The proposals have merits which appear to have been overlooked by all those who considered the tax delinquency problem in the past. They should go a long way towards collecting the bulk of the money now in arrears on general taxation and they provide for the current collection of taxes on these properties in future years. It may be said that Mayor Todd believes that this relief measure should only apply to general taxation, and yet we do not see how it can be made operative unless it includes all Local Improvement taxes which are in arrears. We assume that a certain number would take advantage of such a plan if it became operative, but at the same time they might not be prepared to meet their local improvement taxes, which would fall still farther in arrear and would render their properties liable to tax sale. In such an event it is to be assumed that the agreement, in respect to the arrears of general taxes, would become null and void, although it was entered into in good faith by both parties.

"That is the point that the Mayor should clear up when he lays his proposals before the City Council. The suggestion is that this year, in October, a tax sale should be held of all properties delinquent during 1913, and that hereafter an annual tax sale should be held, presumably on properties—as in the case this year—five years in arrears. There can be no objection to this, as a strong public opinion has developed that Victoria, by omitting to hold tax sales, should not fall into the same financial position in respect of arrears as is the case in Vancouver. In the main the proposals of Mayor Todd have much to recommend them, though it is possible they may require some amendments after more careful examination. Before the city could put a plan of this character into effect it is necessary to secure the power from the Provincial Government, and the suggestion is that, if it is adopted by the Council, the Government be asked to act at the resumption of the session next month. Whatever the city does will have to be done during the next few weeks, if it wishes legislative sanction this year."

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

August 10, Beamsville, Ont.—$19,450, 6 per cent., 20-instalment debentures of the village of Beamsville.

August 11, Township of Pelee.—$6,300 6%, 10-year instalments, municipal building debentures. Geo. E. Pegg, Treasurer, Scudder P.O., Ont.

Aug. 14, City of Rossland, B.C.—$30,000 City of Rossland, B.C., School debentures for 20 years, 6 per cent. interest, principal payable at end of term. Denominations, $500. Interest payable half-yearly, March 1st and September 1st. J. A. McLeod, City Clerk, Rossland, B.C.

August 27, Kenora, Ont.—$13,949.79, 6 per cent. consolidated debt debentures, maturing Dec. 31, 1953. J. E. Currie, Town Treasurer. (For further particulars, see advertisement, page 12.)

BY-LAWS PASSED OR DEFEATED.

Petrolea.—$15,000 loan to the Colonial Knitting Co. of Elmira to induce them to move their factory to Petrolea, carried by the ratepayers on July 26.

Minnedosa.—$15,000 for street improvements defeated by the ratepayers on July 21, the vote being very small.

Wilkie, Sask.—Ratepayers on July 16 voted favorably on a by-law to raise $6,000 for the purpose of improving and placing on a better business basis the local waterworks system.

Swift Current, Sask.—Council on July 17 passed money by-laws for the issuing of debentures for $30,000 and $25,000 for necessary improvements to the electric light and power plant.

BY-LAWS TO BE VOTED ON.

August 13, Tottenham—$9,000 to provide for the cost of repairing and improving the Tottenham Electric Plant.

August 20, Cookstown, Ont.—$9,500 for the transmission and supply of electrical power.

August 22, Smith's Falls—$135,000 for the purchase of the electric plants of the Citizens' Electric Co. and the Smith's Falls Electric Power Co. and $67,000 bonus to the Exclusive Ladies' Wear, Limited, of Montreal.

BOND SALES.

$1,000 Canadian Cottons at 81; $3,000 Canadian Steamships at 78⅛; $2,000 Lyall at 88¾; $1,000 Laurentide Paper at 101; $3,400 Montreal Trams. Debs. at 73; $1,100 Nova Scotia Steel at 82; $3,000 Sherbrooke Ry. at 74; $400 Wayagamack at 83½; $41,800 War Loan (1925) at 98 to 97⅝; $90,800 War Loan (1931) at 96⅛ to 95⅜; $675,900 War Loan (1937) at 96 to 94⅞.

MONEY CRISIS MAY BE FACED BY EDMONTON

Warning re Tax Arrears Issued to Citizens by the Mayor.

MUST LIVE WITHIN INCOME

Mayor Interviewed Sir Thomas White, Who Showed Inadvisability of Making Avoidable Municipal Issues.

The City of Edmonton, like other Western cities with large amounts of back taxes owing, is finding it increasingly hard to pay its way. Within the past few weeks Mayor Henry visited Eastern Canada in an effort to arrange for the sale of some of the city's debentures.

With perfect frankness, Mr. Henry has explained to the citizens of Edmonton just what the situation is. He has not glossed over its seriousness. His statement will be read with interest by other municipal officers, for Edmonton is in no different position from many other places.

The Money Markets.

"The money markets are in a very unsettled condition, probably more so now than at any time since the war broke out. The big Liberty loan in the United States has had the effect of bringing home to the people the stern realities of the war. The American Government has intimated to bond buyers and big financial interests that they will look with disfavor upon any outside issues that are not for war purposes. This, together with the immediate prospect of another Liberty loan being issued by the American Government, has practically closed the American market to Canadian municipals.

"I have interviewed Sir Thomas White, the Canadian minister of finance, at Ottawa, and he expressed himself in no uncertain way upon the inadvisability of Canadian municipalities making any issues at the present time, if at all possible to avoid doing so. He claims they require all the available money for war purposes, and it has become increasingly difficult to finance war expenditures of over one million dollars per day."

Is Found Unsaleable.

"As far as the city's credit is concerned, and the issue of $1,200,000 against arrears of taxes, I find it unsaleable at the present time. The large accumulation of arrears of taxes has almost ruined our credit, and unless we as a city take drastic measures to reduce this ever-increasing burden, and our citizens learn to pay their way, instead of leaning on the city to carry them indefinitely, there will be only one end, and that will be bankruptcy and financial chaos.

"I was successful in arranging with the bank to make us a further advance to retire the bills which matured July 15th, amounting to $250,000 and interest, and they will make us a further advance to take up the coupons due August 1st of $110,000, but beyond that they will not go. We will, therefore, as a city, have to live within our income for the balance of the year, and we may be compelled to supplement it by a special business tax under licenses for sufficient to meet our coupon payments."

Cut More Expenditures.

"We certainly will have to revise further our estimates and eliminate a lot of what we consider necessary work for the balance of the year at least. If the streets are not kept as usual, and the boulevards are not clipped the citizens will understand the reason.

"Conditions in the east are very good; all industrial institutions are working to capacity insofar as they are able with the limited supply of labor. The great demand at the present time in all directions is for men."

KENORA'S STATUS.

Town Has Various Claims to Favorable Consideration.

An offering of $13,949.79, 6 per cent. consolidated debt debentures, maturing December 31, 1953, is being made by the Town of Kenora, tenders closing August 27. This pretty town on the Lake of the Woods, has various claims to importance. It is a divisional point on the Canadian Pacific Railway, 600 men being employed on a payroll of $74,000 per month. It is famous as a summer resort, with prosperous launch and boat-building industries. A large 3,500 barrel flour mill is located in the town, besides lumber and sawmills, and the erection of a pulp mill is contemplated. The town owns its own hydro-electric power plant, telephone and waterworks systems, and these not only pay operating charges, but care for interest and sinking fund payments and leave a balance to the good. Bonds of the town, having this security back of them, should prove a sound investment.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose	Purchaser	Rate	Term	Amount	Price	Basis
July 27	New Toronto, Ont.	C. H. Burgess & Co.	6%	30-yr.	$50,000	98.	....
" 28	Trenton, Ont.	Macdonald, Bullock & Co.	5%	30-ins.	9,500	....	....
" 31	Chatham, schools	Mulholland, Bird & Graham	5½%	20-ins.	60,000	95.26	....
Aug. 1	London, Ont.	Ames & Co.; Wood, Gundy & Co.	5½%	5-yr.	760,000	....	....

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INVESTORS' INSURANCE NOTES

WORDING OF THE NEW INSURANCE ACT IS DEBATED

Hon. Wm. Pugsley Criticizes Section on Status of Licensed Companies.

QUESTION OF INVESTMENTS

Limitation in the Case of Securities of Private Corporations to Those of Established Companies Approved by Committee.

On Friday last, the proposed new enactment of the Insurance Act of 1910, was brought up in committee of the House of Commons, and several of its clauses were under discussion. The main debate took place over the wording of certain sections referring to the status in Canada of insurance companies incorporated outside the Dominion.

Mr. Pugsley directed attention to sub-section 2 of section 4, which provides that a foreign company incorporated outside Canada, the moment it becomes licensed to do business in Canada, shall be deemed to be a company incorporated under the laws of Canada. His contention was that this meant that such a company would be deemed a company incorporated under the Canadian company law.

Sir Thomas White denied this. The matter had attracted his own attention, and it had been carefully considered by the Deputy Minister of Justice.

"If my hon. friend," said Sir Thomas, "will turn to the interpretation section and look at the definition of 'Canadian company,' he will find that the definition excludes any British or foreign company 'which becomes incorporated under the provisions of this act by reason merely of obtaining a license from the Minister as herein authorized.' That, therefore excludes from the meaning of the words 'Canadian company,' any British or foreign company which becomes incorporated under the provisions of this act by reason of obtaining a license under the act."

An Anomaly.

Mr. Pugsley persisted in his contention that it was the effect of the wording to give corporate powers in Canada to companies incorporated outside the Dominion. "It strikes me as the most anomalous and extraordinary thing to use the language which is contained in this section," he said. "If a company is incorporated in Canada and becomes a Canadian company, in order to become such it must be incorporated, either by this Parliament or under the Companies' Act of Canada. If it is incorporated by Parliament, certain restrictions and limitations are thrown round its incorporation. If it is incorporated under the Companies' Act, it becomes liable to all the obligations imposed by the Companies' Act. It has the powers which are conferred by the Companies' Act, but here we propose, in vague and general terms, to create that foreign company a company under the laws of Canada? Under what laws? Under the Companies' Act?"

"Why could the minister not say," continued Mr. Pugsley, "that this section applies to any company incorporated in a foreign country, obtaining a license to carry on business in Canada? Why is it necessary to transform a foreign company into a company incorporated under the laws of Canada? Why state a falsehood in the statute? My hon. friend has stated that we cannot make a foreign company a Canadian incorporated company, no matter what language we use. Why then use language which cannot effect the contemplated result?"

Mr. Pugsley was asked what would be the objection to a foreign company becoming a company under the laws of Canada. To this he replied that there were a hundred provisions in the Companies' Act to which a foreign company would not want to be amenable. If it was merely, "for the purpose of the present act," it would be different, but it was not.

Sir Thomas White admitted that he had viewed the matter in the same way, and had suggested a limiting clause, but, when the Superintendent of Insurance pointed out that the Deputy Minister of Justice, who had argued the case up to and before the Privy Council, was of opinion that these words should not be inserted, he had bowed in deference to his decision.

After considerable discussion, Mr. Pugsley moved an amendment that the words, "for the purposes of this act," be inserted in the section. A vote being taken, the amendment was negatived.

Provincial Companies.

A debate along somewhat similar lines developed in connection with provincial companies. Mr. Pugsley pointed out that section four, under which Dominion licenses were given to provincially-incorporated companies, would give such companies the status of Dominion-incorporated companies and take them wholly out of the jurisdiction of the provincial legislatures, which gave them life. He thought that in this case also the words, "for the purpose of this act," should be included.

Sir Thomas White in reply said that he did not agree that provincial companies would become by this legislation Dominion companies in the sense that Mr. Pugsley had in mind. He did not believe their charters would be repealed. Their capitalization and powers and any statutory provisions applicable to them as provincial incorporations, would all remain in full force and effect. The language of the section had been recommended by the Justice Department and by special counsel to meet the situation created by the Privy Council's decision.

Mr. Pugsley held that if the words, "for the purposes of the act," were not inserted, litigation would follow. The section, however, was carried without a change.

Investments.

Sir Thomas White made special reference to an addition to section 59, governing investments of insurance companies:

> Debentures secured by rates or taxes levied under the authority of the Government of any province of Canada on property situated in any such province and collectable by the municipalities in which such property is situated.

"The object of that," said Sir Thomas, "is to make available, as investments for insurance companies, debentures in the municipally-owned telephone system in Saskatchewan and the West."

Mr. Pugsley referred to the section reading:—

> The debentures or other evidences of indebtedness of any company which has paid regular dividends on its preferred or on its common stock for a term of at least five years immediately preceding the date of investment in such debentures or other evidences of indebtedness.

"That is a change," said Sir Thomas. "That arose out of our experience with the Union Life. That company had at one time among its assets the debentures of its own agent, the National Agency Company. We have made the eligibility of the debentures depend upon the standing of the company, which seems a sensible thing to do."

Mr. Pugsley was of the opinion that investments should be limited to government and municipal debentures, holding that the regular payment of dividend for five years was no assurance of the permanent success or prosperity of a private corporation. Sir Thomas replied that the present arrangement was a step in the direction of greater security.

"Formerly they could invest in debentures; now we limit their power of investment in debentures to debentures of the kind here described; that is to say, debentures that are more likely to be permanently good than those authorized under the existing Act. I am disposed to agree with my hon. friend; I would narrow very considerably the powers of insurance companies to invest their funds."

Sir Thomas, however, pointed out that Canadian companies were in competition with British and foreign companies, who were not thus limited in making their investments. "If we confine our insurance companies to government and municipal securities yielding lower rates of interest than are obtained by other insurance companies upon another range of investment, we put our companies at a disadvantage in the matter of offering attractive policies and obtaining business."

J. B. McKechnie, general manager, and W. D. Mackie, loan manager of the Manufacturers' Life Assurance Co., are looking over the investment field in Western Canada at present.

Hamilton Cassels, K.C., vice-president, and A. D. Langmuir, general manager of the Toronto General Trusts Corporation, left last week for an inspection trip through Western Canada. The corporation has investments of ten million dollars in the west.

Building permits, numbering 425, and valued at $762,000, were issued in Toronto during July. This compares with 352 permits worth $575,750 in July 1916. The total for seven months is now $4,087,782, as against $3,260,059 in 1916.

WANT MONEY IN LUMP SUMS IN HAMILTON

Attack Made on Instalment Plan of Paying Soldiers' Insurance.

SYSTEM IS ABLY DEFENDED

Insurance Committee Act As Trustees for the City and Are Answerable for Proper Payment of Money.

An attempt is being made in Hamilton to secure changes in the administration of the soldiers' insurance fund. Last week a large deputation waited on the board of control, some to criticize and others to uphold the present system. The chief point of attack appears to have been the method of payment of insurance moneys to beneficiaries. At present the committee pays the money in instalments. A number of those who interviewed the board argued in favor of lump-sum payment.

Arguing in favor of the instalment system, W. Hunter, an insurance expert, said that statistics proved conclusively that monthly payments are better for the beneficiary than the payment of a policy in a lump sum. The average estate, he showed, was dissipated in from seven to nine years.

Against Instalment Plan.

Livingston Watson, who was leader of the opposition to the present system, repudiated the claim that a soldier's wife or mother was not competent to handle money. He contended that if the soldiers knew their dependents were to be paid the insurance money on the instalment plan, most of them would not have enlisted. He argued that it was none of the committee's business how the dependents spent the money; it belonged to them and they should get it all at once.

W. H. Lovering, chairman of the Patriotic Association, expressed the belief that a vast majority of the soldiers' dependents were entirely satisfied with the manner the insurance committee was handling their funds. "That they are not here to protest, after having been urged to come," said he, "is my proof of that statement." Many of the women beneficiaries felt themselves incapable of handling large sums of money, declared Mr. Lovering. "Some of them have told me so and the many cases of funds held in trust for them by the patriotic society verifies the assertion. In Montreal the city has put a limit in the amount paid to any soldier's beneficiary and that limit is $120. Soldiers' wives are always at a disadvantage, Mr. Lovering continued. Designing people learn through the newspapers the sums these women are to receive and they prevail on the women to buy things that they don't need. One case came to his observation where a soldier's widow was spending $15 a day on automobiles. She explained that she couldn't help it, because the money had been thrown at her. Besides the widow, the children came in for consideration, and the committee is ever on the alert protecting the right of the child.

Martin Malone asked City Clerk Kent how many soldiers had been insured. Mr. Kent said 1742.

"There are 8000 Hamilton soldiers," said Mr. Malone. "If only 1742 of them have been insured, then all the others are not insured."

A Trust for the City.

J. P. Bell, general manager of the Bank of Hamilton and Chairman of the soldiers' benefit fund, explained that the committee always acted with the purpose of obtaining fair play for the city, for which it was acting as trustee. The committee always acted with liberality toward soldiers' dependents. Who is entitled to receive this money from the city was the first query that engaged them. The committee, however, does not decide that, but the law does.

"There is not a case in Hamilton today," Mr. Bell declared, "where a widow or child or parents of a soldier is not receiving insurance money, provided the deceased soldier was a resident of Hamilton six months before enlisting."

Mr. Bell said he knew of many cases where women lost their money through bad investments. The great reason for paying them by the monthly plan was to protect the children.

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REAL ESTATE AND MORTGAGES

ECHO OF THE BOOM TIMES IN VANCOUVER

Report on Various Ambitious Harbor Schemes is Made Public.

WHOLESALE CONDEMNATION

Findings of Montreal Engineer Are to the Effect That Several of the Proposals Were Impossible.

During the boom times in Vancouver several ambitious schemes for deep-water harbor developments were evolved, most of them involving the purchase of extensive tracts of land and the construction of immense docks and terminal facilities. Plans were prepared on the assumption that Vancouver's growth was to continue at the rapid rate which had characterized its progress during the preceding decade. An investigation of all these proposals was made in December, 1911, at the instance of the Department of Marine and Fisheries, and a report was made by A. D. Swan, member of the Institute of Civil Engineers. This report, it appears, was not published when originally prepared, and has only just become available through the efforts of the Vancouver Board of Trade.

As many investors throughout Eastern Canada were circularized at the time about these schemes, it may be of interest to reproduce some of Mr. Swan's conclusions. Referring to the various private enterprises, he said:

Condemned Spanish Bank.

"A number of schemes for suggested harbors and wharves were put before me by private interests, the sites of all of which we examined on the ground, and carefully enquired into, but I will only refer herein briefly to a few of the principal.

"Two different interests presented schemes for constructing a harbor and wharves at Spanish Bank, near the extreme outer end of Point Grey.

"I have no hesitation whatever in saying that in my opinion Spanish Bank is most unsuitable for the construction of harbor works. It is the most exposed position that can be found for miles; there is no flat land adjoining for the construction of railway terminals, as the shore immediately contiguous rises abruptly up to the headland on which is the site of the proposed University of British Columbia. Practically every foot of wharfage would, therefore, have to be reclaimed. In addition, it is the furthermost point from the city, and in a district already being rapidly developed for residential purposes.

The Rorison Scheme.

"A gigantic scheme for the construction of a large harbor having fully thirty miles of new wharves to the westward of Sea Island, and along the north side of the mouth of the North Arm of the Fraser, and including the Spanish Bank at Point Grey, known as the Rorison scheme, was put before me, and I have considered it very carefully. This scheme is intended for the development more particularly of new industries on Sea Island and certain other lands near the mouth of the North Arm.

"Briefly, it is not a site I would select for the construction of a deep water harbor. Practically the whole area is a vast shifting sand where modern harbor construction works would be very expensive. That part of it on Spanish Bank, I have already referred to as being entirely unsuitable. The miles of deep water, quay walls, which they show on their plan along each side of the mouth of the North Arm of the Fraser River, would undoubtedly be a great benefit to the upper reaches of the river, and would save the cost of construction of the training walls which I proposed in connection with the dredging of the river to ten feet.

"I wish to be quite clear, however, that I do not consider the main part of the site a good one, but before the scheme is finally dealt with the question of the jurisdiction of the whole harbor should be decided.

The Pretty Scheme.

"Another very large scheme for the construction of a harbor having about seventeen miles of new wharves to the westward of Lulu Island on Sturgeon Bank between the mouths of the North and South Arms of the Fraser River . . . known as the Pretty Scheme, was also put before me, and I have given it every consideration. This scheme is intended for the development more particularly of new industries on Lulu Island and certain other lands near there. My opinion already given on the Rorison scheme, given above, applies exactly to this scheme as well.

"The site of the proposed works is on the same kind of shifting sand and in my opinion the construction of harbor works would be very expensive. Of course, the miles of new deep water wharves shown on their plans would certainly benefit the upper reaches and the mouth of the main arm of the Fraser River and here again the question of the jurisdiction of the whole harbor should be decided before the scheme is finally dealt with.

The Lonsdale Scheme.

"A private scheme for the construction of wharves in front of lot 265, North Vancouver, next to the Indian reserve, and known as the Lonsdale scheme, is a good site for harbor works, borings having been taken showing the material to be suitable, and there is a large area of flat land available for railway terminals."

Mr. Swan's summary of the needs of Vancouver harbor contains the following: "Burrard Inlet, in my opinion, is the natural deep water harbor of Vancouver which can easily be developed for ocean shipping. The natural position to commence construction of deep water wharves should be as near to the centre of the city as circumstances will permit."

AN INSURANCE BUILDING

Enlarged Paris Building in Winnipeg Will House Many Underwriters.

When the six story addition to the Paris building is completed in November, Winnipeg will have the first insurance building in Canada. Announcement is made that more than half of the entire building will be tenanted by underwriters, mostly handling fire business. The Western Canada Fire Underwriters' Association will occupy 12,000 feet of floor space and on the tenth floor there will be a large assembly room. Work has been delayed by the laborers' strike.

Companies already in the present building, or who have decided to move in when the addition is completed, include: Western Canada Fire Underwriters' Association, the Workmen's Compensation Board, Home Insurance Company, St. Paul Fire and Marine Insurance Company, British Dominions Fire Insurance Company, Caledonian Insurance Company, British America Assurance Company, Northern Assurance Company, Liverpool, London and Globe Insurance Company, Liverpool-Manitoba Assurance Company, Globe Indemnity Company, British Northwestern Insurance Company, Atlas Assurance Company, C. H. McFadyen & Co., Ryan Agency, London Guarantee and Accident Company, North American Life Assurance Company.

CHATHAM.

Real Estate Man Points Out Great Scarcity of Houses.

That the population of Chatham in the past six months has suffered to the extent of 500 persons through lack of house accommodation, is a statement made by a local real estate dealer. In addition he points out that there is no immediate prospect of relief.

"There is not a single house in Chatham to rent from $14 to $18 per month," was the startling statement made by the real estate man. "There are a few houses as high as $25 per month, but the rental is too high for the ordinary workingman. I know of many men who have moved to Chatham, intending to bring their families here, but they have been unable to do this because of the shortage of houses. It is no exaggeration to say that Chatham has already lost 500 in population during the past six months and as time goes on the figures will continue to grow.

"The city is enjoying a fine era of prosperity that is being seriously interfered with through the inability of intending residents to secure houses. People come to me every day seeking houses and I have been forced to turn them away. The same conditions also exist at other real estate offices in the city.

"Comparatively few houses are being built this summer for renting purposes and the city council should take some action in an effort to overcome the difficulty. There is a boom in Chatham and it is only the steady growth of the city that is responsible for the conditions. Builders, however, have not taken advantage of the opportunity to keep pace with the times."

The dealer stated that houses of moderate price to sell with a first payment of $400 or $500 are needed as well as houses to rent at from $14 to $18 per month.

INVESTED IN MORTGAGES

Estate of Toronto Man Made Up Largely of Mortgage Securities.

An estate, mostly invested in real estate and mortgages, was left by the late John Perry Medler of Toronto, who died on July 6. The value of the estate was $62,440, consisting of the following:—Nos. 165 and 167 Dundas Street, $4,442; No. 636 Ontario Street, $3,000; 636 Grant Street, $1,500; No. 2 Ottawa Street, $2,220; No. 458 Wellesley Street, $3,000; 160 acres in the township of Hartman, Kenora, $160; a summer cottage in Muskoka, $3,000; lot at Long Branch, $3,000; mortgage securities, $38,822; promissory notes, $1,090; cash at Bank, $2,145; two Dominion of Canada war loan certificates, $2,000.

A life interest in $14,000 is given to the widow, Mary Medler; a life interest in $5,000 to a sister, Jemima Kinnear, and upon her death the amount to be divided among her children. A nephew, John Medler Kinnear, is given a legacy of $3,000, two nieces, Mabel and Margaret Kinnear, get $1,000 each, Esther Medler, sister, gets a $9,000 legacy and all the residuary estate upon the death of the widow, and $5,000 goes to the Methodist Church in Canada for use of missions in the North-West.

STRANGE RUMOR IS CIRCULATED IN MONTREAL

Imposition of Income Tax to Cause Rise in Rents.

REAL ESTATE MEN LAUGH

Say That in Spite of the Growing Scarcity of Dwellings, Rents Will Stay About the Same.

There was a story turned out by a Montreal paper a few days ago that threw a cold chill into the ranks of the dwellers in flats and in houses in that city. This was that with the advent of the fall there would be an increase of 5 to 15 per cent. in the rents all over the city. And the immediate reason? The income tax! This was to be the method adopted by the landlord in revenge for his contribution to the Ottawa treasury.

But Montreal real estate men who were spoken to by FINANCIAL POST this week laughed at the prophecy. They all agree that there will be a considerable scarcity in the number of houses when the return invasion starts in from the rivers and lakes at the end of August, as there has been little building for the past two years and more. But this in itself will not run up the rentals. As one leading real estate man expressed it: "People are paying as much as they feel they can for their houses, with costs of food and other things as high as they are, and anyway the real estate owners are disposed to keep things just about as they are when the tenants cannot afford to pay any more." Some worldly minded individuals may be disposed to smile at the last as a "reason" for low rents. Perhaps Montreal property owners are more altruistically inclined than the average that one finds elsewhere.

All agree that there is a distinct improvement in building that is going on. One of the leading real estate firms in Westmount stated to FINANCIAL POST that little was being done there in the way of flats but individual houses were being erected to a much greater extent than last year, or for several years. "While rents on these will not be likely to go up in the face of stationary figures in the older houses the prices of property in sales is considerably advanced, covering the extra cost of materials and labor. A house that sold for $8,500 a year ago brings $10,000 to $11,000 now and will this fall. Those who are renting the newly built properties must be content with a small profit on their investment the way that rents work out in comparison with present high costs of buildings."

FORT WILLIAM

Forty-three Lots in the Vickers Addition Were Transferred Last Week.

The biggest real estate transaction that has been put through in Fort William for some time was closed last week when Louis Walsh of Port Arthur sold to A. Smith of Fort William, forty-three lots in the Vickers Addition section of the city. The lots are located on Catharine, South Vickers, South Marks, South Norah and South Franklin Streets. The deal has been under way for some time but has only just been completed. Prices on this property once ran as high as $70 a foot. The figures at which the present sale was made have not [illegible] announced.

Windsor's permits for July were $27,000 less than for July, 1916, but as July 1916 included a per[illegible] $168,000 covering cost of additions to the Collegiate Institute, the 1917 showing is quite favorable.

GAS PROCESSES LIMITED.

PUBLIC Notice is hereby given that under the First Part of Chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 9th day of July, 1917, incorporating George Charles Loveys, accountant; George Whitaker Morley and William Morley Smith, barristers-at-law; Byron Best Spence, clerk; and Charles Lawford Valens, student-at-law; all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To carry on the business of electrical, mechanical, chemical and gas engineers; to engage in all branches of electrical, mechanical and chemical research; to perfect and render workable and marketable and otherwise to turn to account all discoveries and inventions arising therefrom, and to produce, manufacture, purchase, acquire, refine, smelt, store, distribute, distil, sell, dispose of and deal in all products of the said inventions and discoveries and in petroleum, natural and artificial gas and all the resulting products from the manufacture of the same (including oxygen, hydrogen and other gases and mechanical mixtures thereof whether gaseous, liquefied or solidified and including the product of distillation and cracking of hydrocarbon compounds), oils, salt, chemicals, metals, minerals and mineral substances of all kinds and all products of any of the same; (b) To apply for, purchase or otherwise acquire and to protect, prolong, and renew patents, patent rights, trademarks, formulae, licenses, protections, concessions and the like, conferring or relating to any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company and to use, exercise, improve, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired; (c) To search for and to recover and win from the earth petroleum, natural gas, oil, salt, metals, minerals and mineral substances of all kinds, and to that end to explore, prospect, mine, quarry, bore, sink wells, construct works or otherwise proceed as may be necessary; (d) To trade in, deal in and contract with reference to lands or interests in land, mines, quarries, wells, leases, privileges, licenses, concessions and rights of all kinds covering, relating to or containing or believed to cover, relate to or contain petroleum, natural gas, oil, salt, chemicals, metals, minerals or mineral substances of any kind; (e) To acquire, purchase, take on lease or license, hire, hold, use, sell, grant leases of, grant licenses of, exchange, alienate, dispose of and otherwise deal in or contract with reference to lands or interests in land, personal property of all kinds or interests therein, rights, privileges, licenses and concessions; (f) To acquire, lease, construct, improve, own, use, operate, deal in or contract with reference to ships, boats or vessels of any description, wharves and wharfage facilities, docks and docking facilities, cartage plant, forwarding plant, warehouses and towing, wreckage and salvage plant or any interest in any of the same; (g) To manufacture and deal in appliances, implements, machinery, apparatus, goods and supplies in any way connected with or incidental to the operations of the company or to the use of any of the products of the company; (h) To work, manage, operate, turn to account, explore, develop and improve the properties of the company, whether mining, or otherwise; (i) To acquire, lease, construct, improve, own, use and operate works for the development of power, light and heat, to use, purchase, sell, supply, lease or otherwise deal in or contract with reference to gas, power, light and heat, subject always to all local laws and regulations in that behalf; (j) To manufacture or trade in property and goods of all kinds; to operate construction or building plants and to make and carry out contracts for building or for construction work of any kind; to undertake, carry on and execute transactions as financial commercial brokers or agents and to act as general commercial agents, commission men and manufacturing agents; (k) Notwithstanding the provisions of section 44 of The Companies Act, to subscribe for, purchase, assume liability under, acquire, hold, sell, exchange, dispose of or otherwise deal in or contract with reference to bonds, debenture stocks or other securities or obligations or any estate or interest therein; and to apply or to accept, in whole or in part, as consideration for, satisfaction of, or security for any contract, indebtedness or obligation to or of the company, property, obligations, shares and securities of any kind, at such valuation and upon such terms as may be agreed upon; (l) To acquire, dispose of or otherwise deal in properties, businesses or undertakings of all kinds; to furnish aid to any business or undertaking similar in whole or in part to that of the company with which the company may have business relations, by way of loan, bonus, endorsement, agreement, guarantee, management or other service, and to manage, supervise and control the same in whole or in part and to act as agents or attorney for the same; (m) To carry on any other business which may seem capable of being conveniently or advantageously carried on in connection with the business of the company or calculated directly or indirectly ot enhance the value of; to facilitate the realization of or to render more profitable any of the company's businesses, properties or rights; (n) To invest the moneys of the company not immediately required in such investments as may from time to time be determined; (o) To co-operate in, aid in, subscribe towards or subsidize any proceeding or undertaking which may seem calculated directly or indirectly to benefit the company; (p) To acquire or undertake the whole or any part of the business, property or liabilities of any person, partnership, association or company having objects altogether or in part similar to the company or carrying on any business which the company is authorized to carry on, or possessed of property which may seem suitable or desirable for the purposes of the company; (q) To enter into partnership or into any agreement for sharing of profits, or expense, union of interest, co-operation, joint adventure, reciprocal concessions or otherwise with any person, partnership, association or company carrying on or engaged in, or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction which may seem capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person, partnership, association or company, and to take or otherwise acquire shares and securities of any such partnership, association or company, and to sell, hold, re-issue, with or without guarantee or otherwise deal with the same; (r) To take or otherwise acquire and hold shares in any partnership or stock or shares in any association or company having objects altogether or in part similar to those of the company or carrying on any business which may seem capable of being conducted so as directly or indirectly to benefit the company; (s) To apply for, promote and obtain from the Dominion of Canada or any other authority, whether Dominion, Provincial, Imperial, Colonial or foreign and including subordinate and municipal authorities any statute, ordinance, order, regulation or other authorization or enactment which may seem desirable to the company or calculated directly or indirectly to benefit the company; (l) To enter into any arrangement with any governments or authorities, supreme, provincial, civic, municipal, local or otherwise that may seem conducive to the company's objects or any of them, and to obtain from any such government or authority any statutes, ordinances, licenses, contracts, orders, regulations, decrees, rights, powers, franchises, privileges, and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with the terms of the same; (u) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, or its predecessors in business, or any person, partnership, association or company allied with the company in business or subsidiary to the company or in which the company holds shares or securities, or to benefit the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (v) To promote, form, organize, manage, develop, take interests or stock or shares in and assist financially or otherwise any partnership, association or company for the purpose of acquiring or taking over all or any of the property and liabilities of the company or for any other purpose which may seem calculated directly or indirectly to benefit the company; (w) To acquire, purchase, take on lease, hire, construct, improve, own, use, maintain, operate, manage, carry out and control plant, equipment, machinery, supplies, buildings, works, shops, warehouses, manufactories, pumps, tanks, pipe lines, smelters, refineries, roads, ways, canals, bridges, electric works, electric plant, hydraulic works, hydraulic plant, boats, ships, docks, wharves, piers, gas works, cables, waterworks, reservoirs, aqueducts, flumes, ditches and all such other structures, works, conveniences and appliances as may seem calculated directly or indirectly to advance the company's interests and to contribute to, subsidize or otherwise assist or take part in the acquisition, purchase, leasing, hiring, construction, improvement, ownership, use, maintenance, operation, management, carrying out or control thereof; (x) Where such course is required for the purposes of the company, or may seem calculated directly or indirectly to enhance the company's interests, to acquire, purchase, take on lease, hire, construct, improve, own, use, maintain, operate, manage, carry out and control, but only upon lands owned or controlled by the company or over which the company may have a right or license to that effect, such roads, ways, bridges, lines of rail, spurs, sidings, tracks, rolling stock, cables, wires, motors, locomotives, electrical plant and all such other structures, works, conveniences and appliances as may be required for the purpose of maintaining communication by telegraph or telephone or of effecting the transport of goods or passengers, and to contribute to, subsidize or otherwise assist or take part in the acquisition, purchase, leasing, hiring, construction, improvement, ownership, use, maintenance, operation, management, carrying out or control thereof; (y) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (z) To sell or dispose of the property or undertaking of the company, or any part thereof, for such consideration as the company may think fit, and in particular, and notwithstanding the provisions of Section 44 of the Companies Act, for shares, debentures or securities of any other partnership, association or company; (aa) To sell, exchange, lease, dispose of, turn to account or otherwise deal with or contract with reference to all or any part of the property and rights of the company; (bb) To consolidate or amalgamate with any other company having objects similar in whole or in part to those of the company; (cc) To procure the company to be registered, licensed or otherwise recognized in any foreign country and to designate and appoint persons therein as attorneys or representatives of the company with full power to represent the company in all matters according to the law of such foreign country and to accept service for and on behalf of the company of any process or suit; (dd) To pay out of the funds of the company all or any of the expenses of or incidental to the formation and organization thereof; (ee) To employ, contract with and provide for the remuneration of brokers, commission agents and underwriters upon any issue of shares, bonds, debentures, debenture stock or other securities of the company; (ff) To distribute or divide assets of the company in specie amongst the shareholders; (gg) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others; (hh) To do all such things as may seem directly or indirectly to be incidental to or conducive to or convenient or proper for the accomplishment of the purpose or the attainment of the objects of the company, or any of them, or expedient for the protection or benefit of the company; (ii) No power granted in any paragraph hereof shall be limited or restricted by reference to or inference from the terms of any other paragraph hereof; The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Gas Processes, Limited," with a capital stock of fifty thousand dollars, divided into 500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

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THOMAS MULVEY,
Under-Secretary of State.

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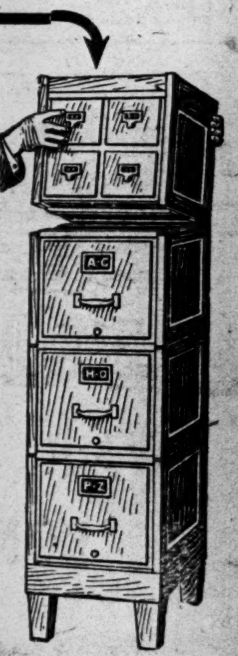

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TORONTO

AN INCREASE IN COMMODITY RAIL RATES IS LIKELY

Railroad Officials Discuss the Advances Permitted in the U.S.

HOW SCHEDULES WORK

Idea is to Allow Railways to Compete With Steamships on Heavy Goods—Industrial Interests to Be Considered.

That a substantial increase on coast-to-coast commodity freight rates will be made by the Canadian railroads following the recent order of the Interstate Commerce Commission, is the opinion in railroad circles in Montreal. A meeting of the roads will not be held, however, until after the United States railways have reached a decision. The present schedules for rates to the coast in many lines are far below the maximum rates that would be allowed by the Dominion Railway Commission and the roads could thus act independently of the Board. However, a number of manufacturing interests, both in the East and West, would be affected materially and a conference of these with the railroads undoubtedly would be arranged before any action is taken towards putting an increase into effect.

The point brought out in the last issue of FINANCIAL POST was that when competition with water carriers grew keen, the roads were allowed to lower commodity coast-to-coast rates in order to meet this competition. Now water rates have gone up so much that they are regarded as not providing competition any longer, and the Interstate Commerce Commission has made an order that the coast-to-coast rates must be brought into an equality with the rates applying to intermediate, or as they are sometimes called, "inter-mountain" points. This would allow the roads to raise the coast rates to meet the others, or lower the intermediate rates to conform with the coast. It is regarded in Canada as by no means certain which course the United States roads will adopt, as before the Commission they made a vigorous fight against raising the coast rates on the ground that the steamships might in a short time lower their rates again and capture the transcontinental trade before the rail carriers could secure a reduction in their rates to correspond from the commission.

New Rates in Canada.

In Canada a reduction of the intermediate rates is not being considered, especially as new class rates will be going into effect for intermediate points on the first of September. The increasing of the rates in Canada will affect some important war-time industries in a manner that makes the subject particularly important at the present time. In the case of the Eastern manufacturers there will be the shipments of wool from Australia and New Zealand, for instance, while the West would have to pay perhaps one-third more for the steel that will be used in shipbuilding. One of the objections raised across the border by some of the Boards of Trade of the Pacific Coast was that industries that had been developed under the old condition of lower rates would be injured. For instance, in the shipbuilding industry, which has been developed tremendously there—as now in Canada—since the war began, the cost of hauling structural steel from Pittsburg to intermediate points was $1.00 per cwt. The cost to the Pacific coast was only 75 cents. In the case of an average boat, 3,200 tons, the increase in the freight rates under the intermediate schedule, if adopted, would be $16,000, namely, from $48,-000 to $64,000.

Some Rate Examples.

A sample of the difference in rates in Canada may be seen from the charge for canned goods, which is $1.26 to Calgary, and only $1.00 to the coast. It is provided, however, that there must be at least 60,000 lbs. to the carload for the low rate. In the case of intermediate points a minimum of 24,000 is allowed. For a 40,000 lb. shipment the charge is $1.10 to the coast. These coast-to-coast rates apply practically to all points in Ontario eastward, as from the Pacific coast. On iron and steel the rate from Toronto to Vancouver is the same as from Montreal, 90 cents per cwt., whereas the rate from Quebec and Sherbrooke is 95 cents, from St. John and Mulgrave the same, and 99 cents from Sydney. Wire fencing has a coast-to-coast rate of 90 cents, while the intermediate rate is up as high as $1.23. The increase in this case would be over 30 per cent.

The commodities that would be affected do not include those that are not suitable for ordinary water carriage. There are no special coast rates either on lines that are made so far in the interior that it would be expensive to take them to the Eastern coast by rail to be transferred to boats in New York. But on lines such as clothing, canned goods, carpets, steel and iron, brass and bronze, etc., the special rates apply, and represent a reduction on an average from 10 to 25 per cent., and in a few cases more on the intermediate rates. Of these iron and steel goods bulk more than fifty per cent. of the tonnage in Canada going westward.

The increased rates would, of course, apply equally to goods that are shipped from the West to the East. In the case of Canada, the largest item is lumber. Among others are canned salmon, hides, rice from the far East, wool from Australia and New Zealand, fish, whale oil, etc.

TO AID RESEARCH.

Legislation at Ottawa Passes Final Stages.

Legislation under which the Advisory Council for Scientific and Industrial Research will carry on its labors, has passed the House of Commons. Sir George Foster gave the following explanation:

It had become necessary, to overcome the work of the Germans, who had become virtual monopolists in many lines of supplies. This had become particularly manifest immediately after the war broke out.

Since that time Great Britain, Australia, the United States, and many parts of the British Empire had become alive to the situation, and had developed a movement whereby in the future they would be ensured from being cut off from supplies of basic materials and basic processes.

Sir George proceeded to explain the work of the advisory council appointed in Great Britain to take up this work, and in general stimulate and promote scientific advancement and research. After being at work about a year, he said, this had been resolved into an Imperial trust, with a capital of about £1,000,000, and this and other funds would be used toward general scientific trade advancement. When this had started it had been found that it was desirable that the parent society work with the Dominions overseas, and thus the branches were being formed to co-operate.

An advisory council had been appointed in Canada, said Sir George, which had been carrying on its work since last January. This was composed of a number of scientists and business men, most of whom gave their services free, under the chairmanship of Dr. McCallum, of Toronto, who was paid $10,000 a year.

One result of the work of this commission, Sir George hoped, would be that means would be found to keep our best trained men in Canada. For years past all the best trained men in Canada had been called over to the United States, at big salaries, to advance industries there, and he hoped this legislation would overcome that.

The bill provided for a series of studentships and fellowships to encourage young men to take up scientific research. the studentships amounting to $600 a year and the fellowships to $1,200.

After the adjustment of peace, concluded Sir George Foster, this system of the close relation between scientific research and business would be absolutely needed to meet the new conditions.

GAS VS. GASOLINE.

Some Interesting War-Time Experiments in England.

With the price of gasoline at 61 cents a gallon in England, numerous substitutes for power for vehicular traffic have appeared. A development in the use of coal gas for automobiles has passed the experimental stage, a motor bus using such gas having made journeys up to 130 miles. Grimsby municipality reports after a trial extending over four months, a reduction in fuel cost per mile from 4.30d to 1.66d.

In Yorkshire the use of coal gas for automobiles appears to be increasing rapidly. Recently Harrogate adopted it, and now Halifax and Todmorden have decided to give it a trial. The necessary apparatus is relatively cheap and easily adjusted, consisting of a canvas bag with an inner layer of rubber, shaped like a mattress, which holds the gas drawn from the main, and is strapped to the top of the motor omnibus or to the rear of the automobile. The gas in the bag is connected with the induction pipe, and the engine is worked by the suction process in the same manner as the ordinary gasoline vapor induction.

The principal disadvantage of the use of coal gas for automobiles is the bulky container necessary for the gas. The use of gas for small cars has proved unsatisfactory by reason of the problem of adequate space for storage. A suitable cylinder for containing compressed gas is said to be necessary for the general usage of such fuel for motor cars, and the probability of the continued utilization of coal gas as a substitute for gasoline appears to depend upon facilities for storage or compression.

MAY BE FIXED PRICE FOR FLOUR AND FOR WHEAT

Proposals Considered at Conference of Millers and Food Controller.

STATEMENT BY W. A. BLACK

Earnings of Milling Companis Not Likely to Be Affected This Year —Canada Must Act With the United States.

A fixed price for wheat and a related price for flour is one of the probabilities before the end of the year that may alter in some respects the earning powers of the Canadian mills. Any enactments that may be made by the Food Controller will wait upon a decision of the United States authorities, according to a statement of W. A. Black, Vice-President and Managing Director of the Ogilvie Flour Mills Co. to THE FINANCIAL POST, following a conference with Hon. W. J. Hanna at Ottawa on Monday. Mr. Black is one of seven representatives of the milling interests that will continue in consultation.

The earnings for the present year are not likely to be affected to any appreciable extent by any regulations that will come into force. The legislation that will define the form of control as well as the extent still hangs fire in the United States, and neither the price of wheat nor any change in the present basis of manufacture of flour in Canada can very well be made until the two countries are ready to act simultaneously.

"We are not at all sure that the same regulations as to flour will be adopted for Canada as for the United States," said Mr. Black. "That may not be thought advisable. So far as the general opinion voiced at the conference was concerned, it was felt that very little saving in wheat could be effected with the limited population of Canada by any standard grade of flour, or by any cutting down of the percentage from what it is at present. We could, of course, reduce it a little and still have flour that would commend itself to the people, but beyond this they would hardly consent to go. The point was raised that the mills would be heavy losers by the disappearance of their advertised and well-known brands if one grade was compelled, but we told the Controller that we would forego any pressing of this point as an argument against a change, if one was thought to be for the general advantage."

From another source THE FINANCIAL POST was informed that no definite action in fixing a price for wheat would be likely until after the election. It was felt in some quarters that the farmers of the West might not welcome a fixed price that was below the cash price of wheat to-day, whatever futures might be, and that the powers at Ottawa would not risk antagonizing this large element by any immediate action. Apart from this as a reason, however, is the delay in the legislators of the United States in reaching an agreement on the measure that has been before them for several weeks.

WAR TRADE OF U.S.

Merchandize Foreign Trade Double That Before Conflict.

More than ten billion dollars worth of merchandise and precious metals passed through the custom houses of the United States in the fiscal year just ended. A compilation by the National City Bank of New York, comparing the trade of the country in the fiscal year ended June 30, 1917, with that of the fiscal years 1916, 1915 and 1914, shows that the total of all 1917 is in round terms twice as great as that of 1914, which immediately preceded the war. The total of imports and exports of merchandise in 1917 is not down at $8,-900,000,000 against $6,531,000,000 in 1916, $4,443,000,000 in 1915, and $4,-259,000,000 in 1914, the fiscal year which ended only one month prior to the beginning of the war. The gold and silver imports and exports of the fiscal year 1917 aggregate $1,382,-381,000.

The foreign trade in merchandise alone in 1917 was double that of the year prior to the war, the 1917 figures being official returns for eleven months, and an estimate for June based upon that of the month immediately preceding. Imports are set down at $2,634,000,000 in the fiscal year 1917 against $1,894,000,000 in 1914, a gain of $740,000,000 or 40% in the 3-year period; the exports are set down at $6,280,000 in 1917 against $2,365,000,-000 in 1914, a gain of $3,915,000,000 or 165%, and the total trade at $8,914,-000,000 against $4,259,000,000 a gain of $4,655,000,000, or 109%.

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THE BANK OF TORONTO

INCORPORATED 1855

Head Office - - TORONTO, CANADA

Paid-Up Capital - $5,000,000 Reserve Funds - - $6,508,000

DIRECTORS:

W. G. Gooderham, President.

J. Henderson, Vice-President.

William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, A. H. Campbell, Brig.-Gen. F. Meighen, J. L. Englehart, Wm. I. Gear, Paul J. Myler.

Thos. F. How, General Manager. John R. Lamb, Supt. of Branches.

D. C. Grant, Chief Inspector.

Bankers.—NEW YORK—National Bank of Commerce. CHICAGO—First National Bank. LONDON, ENG.—London City and Midland Bank, Limited.

THE HOME BANK OF CANADA

ORIGINAL CHARTER 1854

NOTICE OF QUARTERLY DIVIDEND

NOTICE is hereby given that a Dividend at the rate of five per cent. per annum (5%) upon the paid-up Capital Stock of this Bank has been declared for the three months ending the 31st August, 1917, and that the same will be payable at the Head Office and Branches, on and after Saturday, the 1st day of September, 1917. The Transfer Books will be closed from the 17th day of August, to the 31st day of August, 1917, both days inclusive.

By order of the Board,

J. COOPER MASON, Acting General Manager.

Toronto, July 18th, 1917.

When there is no Will

the law takes command, and regardless of your desires or the needs of your heirs, settles how your property shall be divided. One inflexible rule applies in every such case.

Whether you have little or much, make a will—and make it NOW.

Our booklet, "I Give, Devise and Bequeath," may be obtained at our office or will be mailed on request.

THE UNION TRUST CO., Limited

TORONTO

HENRY F. GOODERHAM, President J. M. McWHINNEY, General Manager

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by the Natural Wonders of Jasper Park and Mount Robson, Monarch of the Range

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CANADIAN NORTHERN RAILWAY

The Banker as a Credit-Giver

BANKERS, to give credit to manufacturers or merchants, must know a good deal about their business, trade conditions and tendencies and the general factors affecting credit. They must study individual businesses with the help of those who know these businesses thoroughly and intimately.

Bankers should call into their councils these soundly informed advisers.

The Canadian Grocer (Weekly)	$3.00
Hardware and Metal (Weekly)	$3.00
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Men's Wear Review (Monthly)	$1.00
Canadian Machinery (Weekly)	$3.00

FROM these specialized publications Bankers can obtain the very kind of knowledge and information needed by them when considering credit questions. To have these publications on file is an evidence of prudence—and prudence is essentially the quality of a successful banker. Their annual cost—$12.00—is a small sum to pay for encyclopedic publications of very prominent value.

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